10/27/88 CS150-3

Discount Store News®
THE NEWSPAPER OF DISCOUNT RETAILING
VOL. 27, NO. 21 Published Biweekly, Every Other Monday, Monthly in December, by Lebhar-Friedman Inc. $2 per copy October 24, 1988

Auchan Opens U.S. Hypermarket; Heralds Lowest Prices in Houston

HOUSTON — With the hoopla of a homecoming pageant, the Auchan Group, the $9 billion French retailer, opened its first U.S. hypermarket here this month. It is the third true hypermarket concept to open in the United States in the past 10 months.

Led by the music of a local high school band as well as the Auchan bird character, opening ceremonies contrasted sharply with the relatively "quiet" debut of Carrefour, Auchan's France-based competitor which opened its first U.S. hypermarket in Philadelphia earlier this year.

Auchan
A
HYPERMARKET

Auchan unveiled the nation's third 'true' hypermarket in Houston. The 230,000-square-foot store opened Oct. 14. (DSN photo)

Auchan execs, with local politicians, major vendors and the media, opened the doors to the 230,000-square-foot grocery and general merchandise store, on a 31-acre site in the southwest section of the nation's fourth-largest city.

The store, operated by Texfield Inc., an Auchan subsidiary formed in 1987, will have an immediate impact on the competitive Houston market.

"A highly competitive market is good for Auchan and other retailers because it forces us all to strive to be the best," said Wilfrid d'Audif-

(Continued on page 8)

Best to Be Acquired in $1.1B Buyout

By Arthur Markowitz

RICHMOND, Va. — Best Products' stockholders are expected to approve by mid-November a $1.1 billion "friendly" buyout of the cataloger by Adler & Shaykin, a New York investment company that was the winner among five firms bidding for the $2.1 billion retailer.

Both Best's management and Adler & Shaykin executives said they expect to continue the cataloger's operations as is, without any change in personnel or sale of assets. Adler & Shaykin plan "a detailed review" of Best after its acquisition.

The pending $27.50-per-share acquisition of Best, the catalog industry's No. 2 chain, has resulted in the takeover spotlight now shifting back to the leading showroom operator, $2.7 billion Service Merchandise. Any of the four unidentified losing bidders for Best, along with Adler & Shaykin, were among other companies that security analysts believe could be interested in buying the Nashville, Tenn.-based chain.

Best earlier this month turned down as "inadequate" a $21-a-share offer worth a total of $522 million from an undisclosed party, reported to be the Prospect Group, another New York investment firm that owns 9.9 percent of Best's stock. Best's rejection came as Service's management called off a proposed leveraged buyout of that company at $13.50 a share or $460 million (see *DSN*, Oct. 10, page 1).

(Continued on page 8)

A Year After The Crash

Takeovers Fuel Discount Stock Gains

By Neil Nordby
Special to DSN

News Analysis

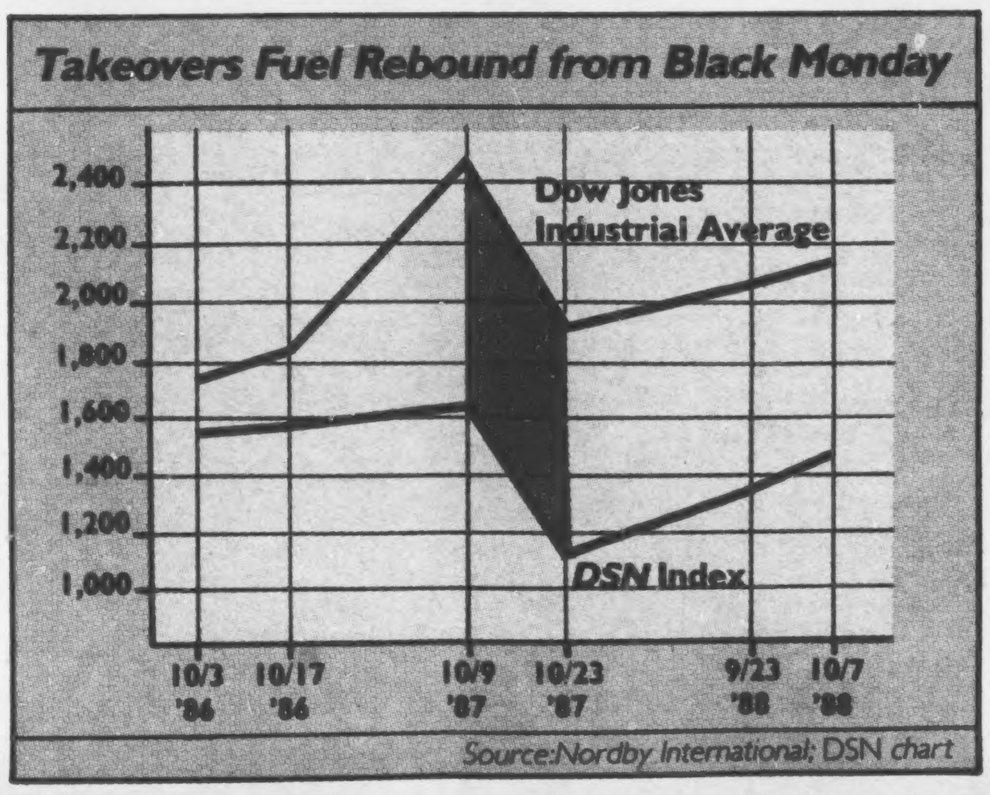
One year after the worst collapse in stock market history, Wall Street pros have been relegated to chasing takeover deals, most of which dissipate into thin air like a dream, or a pipe-dream in many cases.

With the third quarter just coming to an end, acquisitions, takeovers and buyouts are the only game in town. In other words, while the average investor continued to cling to the sidelines in the aftermath of Black Monday (Oct. 19, 1987), a select few played the takeover game.

This takeover game is producing most of the profits on Wall Street one

(Continued on page 79)

Takeovers Fuel Rebound from Black Monday



Source:Nordby International; DSN chart

Celebrates
Christmas in
AMERICA
Christmas in
1988 GIFT GUI

As part of K mart's holiday promotional program, the chain will offer this four-color holiday gift guide.

Marketing Program's Aim: Spend Christmas in K mart

By Tony Lisanti

TROY, Mich. — K mart Corp. has unveiled plans for its most aggressive, coordinated holiday marketing program, set to debut nationwide Nov. 1.

Called, "K mart Celebrates Christmas in America," the promotional campaign, which is tied to the introduction of a new pictorial book entitled "Christmas in America," published by Collins Publishers, underscores America's holiday spirit and traditional values of family and home.

"It was a natural that K mart should use this book to convey to our customers that we are not just a store for Christmas gifts, but we are a store that conveys the Christmas spirit of America," said Mike Wellman, vice president of marketing, during a press luncheon at K mart headquarters.

Following a strong September in which K mart reported a 7.1 percent increase in sales over the same period last year, the nation's No. 1 discounter, which will post over $4 billion in sales in the month of December, has high hopes for a strong holiday season.

"We are expecting a very good Christmas season with total corporate sales [to rise] in the 6 percent to 7 percent range," predicted Richard Miller, executive vice president. He also identified K mart's list of "hot" products for Christmas (see story, page 8).

"The election will probably not have any effect on Christmas this year, but my experience has been that right about now people get very interested in the election

(Continued on page 8)

SPECIAL REPORT

1988 Top Brands — II: Consumer Survey

Consumers' … anagers' Favorites—page 25

Many Shoppe… vorite Brand Is Not in St

0024037C
MS JEANNE LONG
CONGRESSIONAL INFOR SVC IYO
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814 **

BEST COPY AVAILABLE

MARKETWATCH

Pic 'N' Save Buys N.Y. Closeouter

CARSON, Calif. — Closeout specialist Pic 'N' Save will stretch its market coverage to New York with the acquisition of regional closeouter Job Lot Trading from Zilber Ltd. for an undisclosed amount. Pic 'N' Save and Zilber have agreed in principal to the deal, which will give Pic 'N' Save 15 stores in metropolitan New York. Pic 'N' Save will also assume control of Job Lot's warehouse, office and support facilities. Job Lot's 1988 sales are expected to exceed $35 million, according to Pic 'N' Save, which had sales of $362 million at the close of last year. Currently, Pic 'N' Save operates 135 stores in the West and South.

Sears to Accept Major Credit Cards

CHICAGO — In a move related to its acquisition of Western Auto, Sears, Roebuck & Co. will start accepting on a test basis Visa, MasterCard and American Express credit cards, in addition to Sears and Discovery cards. In acquiring Western Auto this March, Sears also acquired the Tire America and NTW tire specialty chains, where Visa and MasterCard are "valuable and important" for major purchases, such as tires, a spokesman said. In another spin-off, Sears is starting to sell national brand tires, reversing its long-standing policy of handling private label tires only. Sears started testing its new credit card policy last month in four Richmond, Va., stores and will test it in eight more starting this month.

PACE Opens 10th California Unit

DENVER — PACE opened its 10th warehouse in the competitive Southern California region this month. Located in Gardena, the new site is also PACE's 10th in the state and joins existing California warehouses in Cathedral City, Chino, Downey, El Monte, Fountain Valley, Fullerton, San Bernardino, San Fernando and Woodland Hills. The latest entrant is expected to generate $40 million in annual sales, and brings PACE's nationwide warehouse count to 36. The company expects to open four additional sites during the next three months.

The Wholesale Club to Add Minn. Site

INDIANAPOLIS, Ind. — The Wholesale Club plans to open a store in the Hermantown suburb of Duluth, Minn., next spring as its 20th unit and sixth in Minnesota. The Duluth membership warehouse and one announced earlier for the Grand Rapids, Mich., market (see *DSN*, Oct. 10, page 3) are among the four or five units The Wholesale Club plans to open next year. The $5 million Duluth store is being constructed by BMC Realty, a Kansas City, Mo., developer.

Zayre Tests Auto Quick-Lube Service

FRAMINGHAM, Mass. — In an attempt to put its former full-service auto bays to better use, Zayre has been testing quick-lube service in several stores and may expand the service to all of the 100 or so stores that offer full auto service. Zayre, which at presstime was about to become part of the Ames Department Stores chain, closed those service centers two years ago and turned to tire specialty retailing. Once calling its tire shops Tire Slashers, Zayre offers tires at exceptionally low markups. With the addition of quick-lube service, Zayre now calls the centers Express Tire and Lube. For an oil and filter change and a 14-point service that includes lubricating vital fittings, Zayre charges an everyday low price of $16.97, said Stan Berkovitz, vice president for community relations.

Gold Circle Liquidation to End in Nov.

WORTHINGTON, Ohio — The liquidation of Gold Circle's inventory is expected to be completed sometime around Thanksgiving, when the units will be operating under the jurisdiction of their new owners. Kimco Development Corp., Roslyn, N.Y., expected the sale of the 76-unit chain to close on Oct. 17. At that time, 31 units were to be sold to Target, 35 leased by Hills Department Stores and two were to be leased to K mart, according to Todd Cooper, vice president of Kimco. The remaining eight units have yet to be leased, said Cooper, noting that Kimco is actively negotiating with other discount retailers, home improvement and grocery operators to lease the stores, located in Dayton and Cleveland, Ohio, and Buffalo, N.Y.

Price Savers Spin-Off Proceeds

SALT LAKE CITY — The sale of Price Savers Wholesale Warehouse to a management-led investor group is still on, even though Kohlberg Kravis Roberts & Co. dropped its unsolicited bid to obtain the membership warehouser's parent, Kroger Co. The Hafts, controllers of the Dart Group, have also been after Kroger, and reportedly are still interested in the company. Kroger expects to have the restructuring completed around Oct. 28, when [illegible]et to pay a special $40-a-share dividend.

Price Looks to Pad Property Portfolio As Sales Surpass $4 Billion Mark

By Pamela Krein

LOS ANGELES — Price Club is currently in the running to build an 800,000-square-foot retail site in Burbank, Calif., that would provide the company with its largest development to date.

The deal, if successful, would add to Price Club's already impressive real estate portfolio: the retailer currently owns 37 of its 39 membership warehouse club sites.

Price Club also reported that its sales eclipsed the $4 billion mark for the just-completed fiscal year, ending Aug. 28. Volume increased more than 25 percent to $4.05 billion, as net income grew 29.2 percent to $94.8 million.

For the fourth quarter, sales increased 25.3 percent to $985.6 million, while net income rose 26 percent to $24.1 million in the quarter. Comparable sales increased 12.97 percent in the fourth quarter and 5.52 percent in the full year.

Price Club currently operates 40 warehouses in the United States and three locations in Canada through a joint venture with Steinberg Inc.

In addition to its own retail real estate holdings, Price Club has an interest in numerous other properties through P&K Associates—a joint venture created in 1985 between The Price Co. and Kornwasser and Friedman Shopping Center Properties. The 41-acre Burbank site currently under consideration would be developed by P&K.

P&K currently is planning, developing or managing some 30 real estate projects. According to the company, these holdings total more than 7.8 million leasable square feet and are valued at $501 million, with total financing for the

(Continued on page 82)

Stuarts' Management Initiates LBO

Regional Discounter Seeks Financial 'Freedom'

HOPKINTON, Mass. — Harry Kohn Jr., president of Stuarts Department Stores, headquartered here, is leading a group of senior management and other institutional investors in a leveraged buyout of the 21-store discounter, *DSN* has learned.

"We have held preliminary discussions with the board of directors," Kohn told *DSN*, "but we have not reached any agreement. We are still in the discussion stage."

Stuarts' stock rose to as high as 5⅜ per share following the news of the possible sale of the company. During the past year, Stuarts' stock traded as high as 7⅛ and as low as 2¼. There are about 4.3 million outstanding shares.

Kohn believes that the discounter will be a stronger chain as a privately owned company without the pressures and requirements of being a public company. "It will give us a little more freedom to tighten expenses and devote more of our efforts to achieving results," he said.

The former Bradlees president said Stuarts is a "viable regional discounter with an apparel and fashion orientation that gives the chain a niche in the marketplace."

However, soft apparel sales throughout the industry continue to plague Stuarts.

Sales of $33.5 million during the second quarter, ended July 30, were flat over the same period last year. There was, however, a substantial gain in net income, which was attributed to "tighter control of selling, general and administrative expenses." Stuarts reported a second quarter net income of $232,000 vs. last year's loss of $277,000. Second quarter comp store sales, however, fell 1.6 percent.

With 21 stores in six New England states, Stuarts broke ground in July for its 22nd store, a 55,000-square-foot facility in New Bedford, Mass.

DSN Names New Board of Advisors

NEW YORK — *DSN* has named a new Board of Advisors. The new board, composed of 10 executives representing the discount industry from A (Ames) to Z (Zayre), replaces *DSN*'s old board of advisors which periodically met with *DSN*'s editor to discuss topics of interest to the industry. The new board members, each of whom pledged to be actively involved in providing input to *DSN* on issues of concern to the discount industry, are:

- Jack E. Bush, president, Rose's Stores;
- Stephen Goldberger, chairman, president, Hills Department Stores;
- Richard Hersh, president, International Mass Retail Association;
- Peter Hollis, president, Ames Department Stores;
- Harry Kohn Jr., president, Stuarts Dept. Stores;
- Arlie Lazarus, president, Jamesway Corporation;
- Julian M. Seeherman, president, Venture Stores;
- Warren W. White, general manager, Clover;
- Herb Zarkin, chairman, Zayre Stores;
- Ray Zimmerman, chairman, president, Service Merchandise.

Upcoming issues of *DSN* will profile each of these industry leaders.

IN THIS ISSUE

Top Brands

Part II: Consumer Survey 25
Shoppers, Managers Share Favorites 33
Consumers Prefer Skipping Over Absenteeism 37

APPAREL 43

L'eggs 20% off

Men's: Fruit of the Loom Spins to the Top 43
Children's: Health-Tex Most Popular 43
Cosmetics: Name Brand Consciousness Prevails 44
Ladies': Brand Names Less Important 44

HOME PRODUCTS 49

Household Cleaners: Loyalty Runs High 49
Housewares: Shoppers Like Wide Variety 49
Domestics: Cannon Tames Rival Brands 52
CE: General Electric Emerges Victor 52
Photo, Camera: Kodak Develops Wide Appeal 55
Personal Care: Consumers Willing to Substitute 55

HARD LINES 61

Toys: Mattel Leads Brands in Preference 61
Automotives: Pennzoil Takes Pole Position 61
Hardware: Brand Preference Relatively Low 62
Food: Hershey's Nabs Sweet Victory 68
Sporting Goods: Shoppers Less Likely To Specify 71
Stationery: Attracts Comparison Shoppers 73
H&BA: Name Brands Clean Up 73

FEATURES

DISC Award Nominations Sought 10

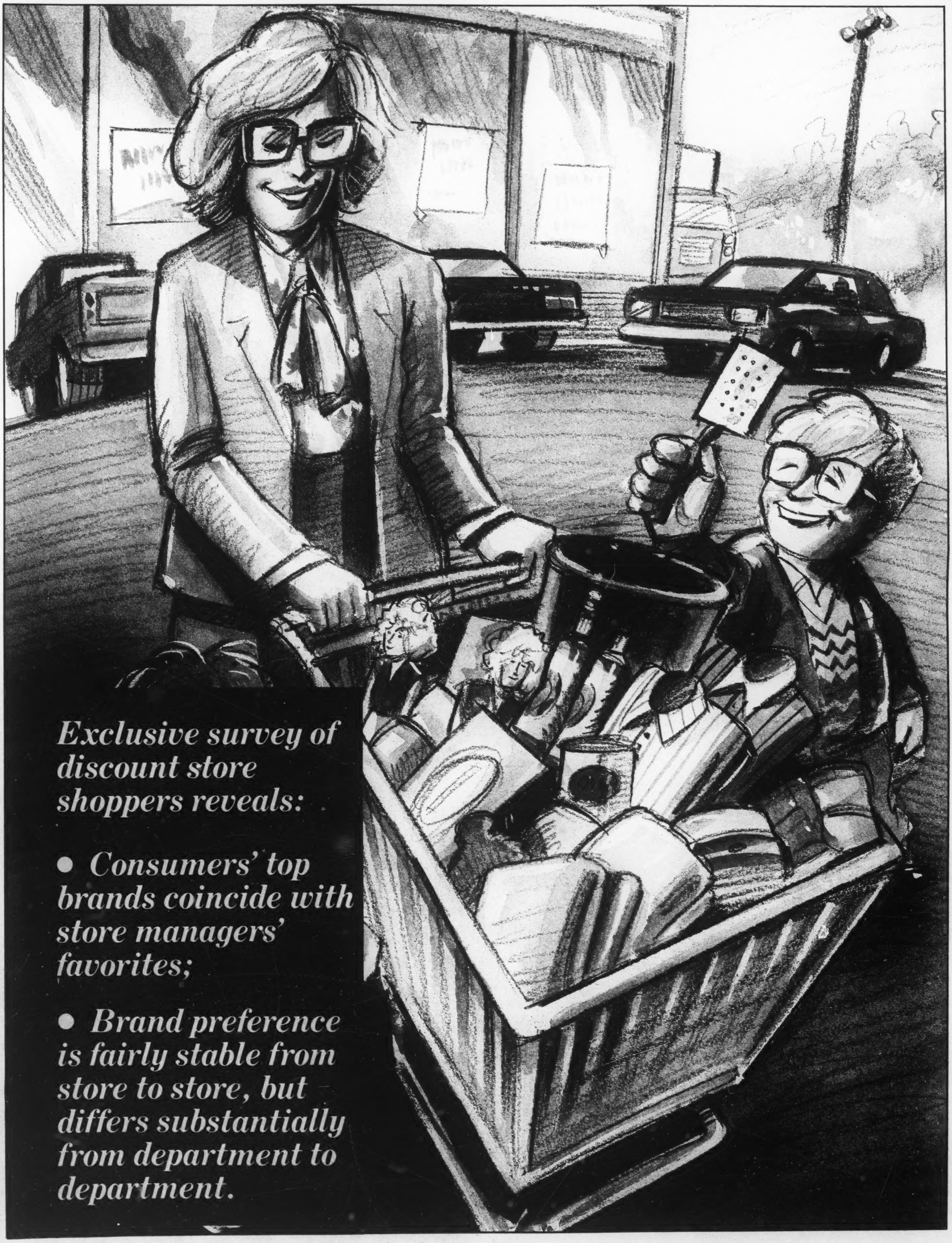
DEPARTMENTS

At the Source:
  Hard Lines 74
  Home Products 58, 59
Columns:
  Catalog Showrooms 4
  IMRA President's Corner 6
  Prevention Pays 16
  Washington Report 6
Editorial 6
Executive Changes 12
Manufacturer News:
  Apparel 46
  Home Products 56
Retail Technology 10
Washington Watch 14
Retail Management Development Series 21

BEST COPY AVAILABLE

TOP **BRANDS**

Part II: Consumer Survey



Exclusive survey of discount store shoppers reveals:

- *Consumers' top brands coincide with store managers' favorites;*
- *Brand preference is fairly stable from store to store, but differs substantially from department to department.*

Consumers' Top Brands

Automotives ***61***
Pennzoil
Quaker State
Fram

Consumer Electronics ***52***
General Electric
Sony
Panasonic

Cosmetics ***44***
Cover Girl
Maybelline
Revlon

Domestics ***52***
Cannon
Fieldcrest
J.P. Stevens
Martex
St. Mary's
Pepperell

Food, Candy, Snacks ***68***
Hershey's
Brach's
Snickers

Hardware ***62***
Stanley
Black & Decker
General Electric

Health & Beauty Aids ***73***
Crest
Colgate
Lever Bros./Ivory/Dove

Household Chemicals ***49***
Tide
Comet
Lysol

Housewares ***49***
Rubbermaid
General Electric
Corning

Children's Apparel ***43***
Health-Tex
Levi's
Carter

Ladies' Apparel ***44***
Lee
Gitano
L'eggs

Men's Apparel ***43***
Fruit of the Loom
Levi's
Hanes

Personal Care ***55***
Clairol
Conair
General Electric

Photo, Camera ***55***
Kodak
Fuji
Polaroid

Sporting Goods ***71***
Wilson
Spalding
Zebco

Stationery ***73***
Hallmark
American Greetings
Bic
Mead

Toys ***61***
Mattel
Fisher-Price
Tonka
Hasbro

Discount store shoppers nationwide named their preferred brands in 17 merchandise categories, in a poll conducted for Discount Store News by Leo J. Shapiro & Associates.

First Consumer Top Brands Survey:

Shoppers, Managers Share Favorites

By Donald Longo
Nationwide DSN Report

Store managers appear to have their fingers on the pulse of consumer tastes when it comes to identifying the most sought-after name brands in discount department stores.

Asked to name the brand they would want to buy when making a purchase in each of 17 departments of a discount store, consumers picked many of the same brands identified by store managers as among their best performing labels in *DSN*'s annual Store Manager Top Brands Survey (see *DSN*, Oct. 10). *DSN*'s first Consumer Brands Survey revealed:

- Brand preference is fairly stable from store to store;
- However, brand preference differs substantially from department to department;
- Private labels are more often accepted when preference for national brands is low.

In the automotive, sporting goods, and food, candy and snacks departments, eight of the 10 brands that consumers most often wanted were also the brands that store managers said are their best performers. And, within these departments, there is general agreement on the order of importance of these brands.

In contrast, there is less agreement between managers and consumers in how they view brands in children's apparel and household cleaners. In these areas, only five of the top 10 brands that consumers wanted in the store were described by managers as among their top 10 performing brands in those departments.

Examining all 17 departments covered by both surveys reveals that consumers and managers agreed on at least seven of the top 10 brands in more than half of the departments. In 15 of the 17 departments, consumers and managers were in agreement on six or more of the top 10.

Major brands like Rubbermaid, Stanley, Kodak, Pennzoil, Wilson, Cannon, Crest, Hershey's and Tide took the top positions on both the consumers' and managers' lists. Not only were these brands cited most often by managers, but shoppers also named them as preferred brands when preparing to make a purchase.

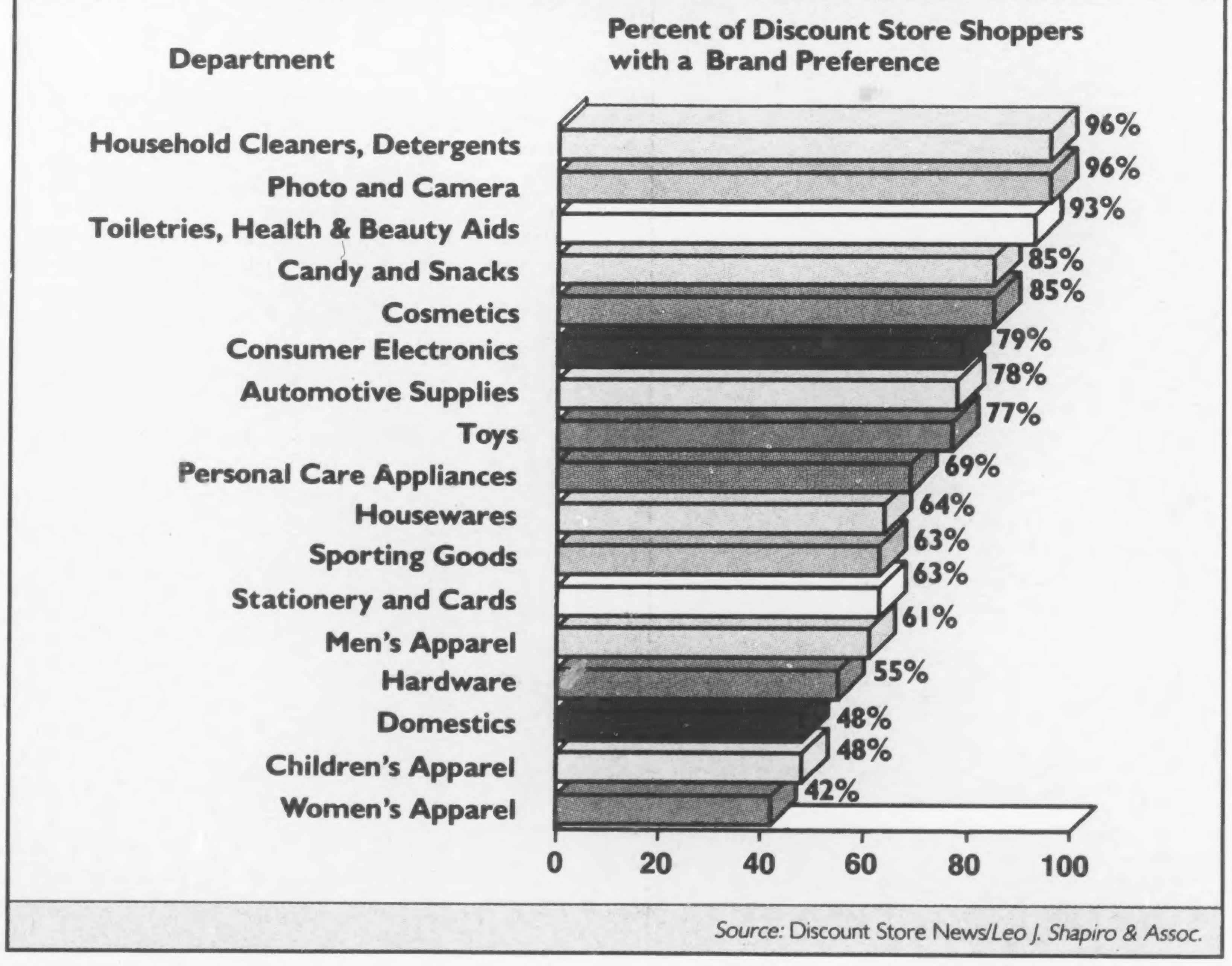
Some brands scored high in consumer preference but were either overlooked by store managers or were ranked relatively lower by managers. These include General Electric, Fuji, Mattel, Sony, Hallmark, Fruit of the Loom, L'eggs, Health-Tex, Levi's, and Carter.

There could be many reasons for a brand's better showing among consumers than managers. Many of the brands mentioned by consumers are not generally available to discount stores, so managers can be expected to ignore or downplay those brands when naming their top performers.

Other brands have created a dominant consumer franchise through extensive advertising. These brands would be expected to garner the lion's share of mentions from consumers. However, if stores are not adequately displaying and merchandising them, these brands may receive lower ratings from managers in regard to their performance. Also, if the brands are

(Continued on page 37)

Consumers Brand Preference by Department



Source: Discount Store News/*Leo J. Shapiro & Assoc.*

988 Households Polled for Survey

NEW YORK — This exclusive consumer brand study is based on a national sample of 988 households who were asked their brand preferences in 17 departments of the discount department store. The departments are the same 17 examined in the Store Manager Top Brands Survey, the results of which were published in the Oct. 10 issue of *Discount Store News*.

Unlike other consumer surveys, this study measures the brand preferences of *discount store shoppers*. The study covered only households who reported having shopped at a discount department store during the past year and limited results to households who made at least three trips during the year to discount department stores.

For each department, consumers were asked to think of an item they might be buying if they were shopping in that department of the discount department store they patronize most often. They were then asked to name the brand they would want if they were to make a purchase.

Besides measuring the degree of brand preference by department, and the preference for individual brands within those departments, this study also asked consumers how confident they were of finding their preferred brand in each department of the store. Then, it asked consumers if they would be more likely to switch to another product or skip the purchase entirely if their preferred brand was not available in the store. This analysis will help the discount store merchandiser identify departments in which there is a high penalty for failing to have the brand that the consumer expects to buy in the discount store.

Agreement of Trade and Consumers
Top 10 Brands: 1988

Department	Number of Brands Store Managers and Consumers Agree On*
Automotive Suppliers	8
Sporting Goods	8
Food, Candy & Snacks	8
Toys	7
Consumer Electronics	7
Men's Apparel	7
Ladies' Apparel	7
Personal Care Appliances	7
Housewares	6
Photo & Camera	6
Stationery	6
Cosmetics	6
Domestics	6
Health & Beauty Aids	6
Children's Apparel	5
Household Cleaners & Chemicals	5

**Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?*

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

How Consumer Preferences Affect Brand Trends in 17 Departments

Department	Mean Level of Confidence of Finding Brand*	Percent 'Not Sure'**	Preferred Private Label	Would Skip Purchase If Preferred Brand Unavailable
Health & Beauty Aids	7.99	8.3%	6.9%	51.7%
Photo and Camera	7.89	11.6	3.0	57.0
Candy and Snacks	7.82	13.0	5.7	41.0
Household Cleaners	7.80	10.4	4.0	49.3
Cosmetics	7.65	15.6	5.8	64.2
Toys	7.63	14.5	1.1	51.1
Housewares	7.57	13.9	8.4	48.0
Personal Care Appliances	7.46	15.7	3.9	44.9
Children's Apparel	7.44	14.0	28.0	40.2
Domestics	7.36	19.9	14.6	35.1
Automotive Supplies	7.34	17.8	11.6	57.4
Hardware	7.19	21.5	25.1	55.3
Stationery & Cards	7.18	21.7	9.4	32.6
Consumer Electronics	7.08	19.7	3.4	57.9
Women's Apparel	6.99	22.2	29.1	45.3
Men's Apparel	6.89	23.5	18.7	55.7
Sporting Goods	6.79	25.8	6.6	53.3

**Consumers were asked how likely would they be able to find the brands they want in each department. Mean: Rating on scale of 1 to 9 with 9 meaning they were "certain" of finding their preferred brand in a discount store.*
***Ratings of 1 to 5 are grouped together indicating "Not Sure."*

Source: Discount Store News/Leo J. Shapiro & Assoc.

Consumers Prefer to Skip Purchase If Favorite Brand Is Not Available

By Laura Liebeck
Nationwide DSN Report

While consumers and discount store managers concur on many leading brands, discounters may be losing sales in areas of disagreement. That's because, in many instances, discount customers say they are reluctant to switch to other brands if their first choice is unavailable.

In fact, results from the first Consumer Brands Survey revealed that many consumers will forgo a purchase entirely rather than buy an alternative brand.

Above all else, consumers view discount stores primarily as purveyors of brand name goods, according to survey results.

In all but three categories—domestics, children's apparel and women's apparel—consumers showed a strong preference for specific brands and were adamant about purchasing them. In nine of those departments, a large percentage of consumers said they would skip the purchase entirely if their preferred brand was not available.

Further, consumers expressed a significant measure of uncertainty about finding their preferred brands in 12 of 17 departments at their primary discount store.

Of those merchandise categories, 19 percent or more of the consumers questioned said they were "not sure" about finding their preferred brands in seven departments.

Those seven categories include sporting goods, with the highest "not sure" rating, followed by men's apparel, women's apparel, stationery and cards, hardware, domestics and consumer electronics.

In many cases, consumers said they would switch brands if they couldn't find the one they wanted. This was particularly true in stationery and cards, domestics, children's apparel, candy and snacks, and personal care appliances.

One key finding of the consumer survey was the definition of high-risk and low-risk categories for discounters.

For example, discount store shoppers looking for toys expressed almost no interest in private label or off-brand goods, and would tend to skip purchases if their favorite brand wasn't available. Therefore, toys is a high-risk merchandise department where the discounter would lose the sale, and possibly the customer, if, say, Fisher-Price toys were not available.

(Continued on page 40)

Shoppers, Managers Share Favorites

(Continued from page 33)

very dominant among consumers, but used extensively as traffic builders, there may be little profit in them. Managers, therefore, may underestimate the value of those loss leaders as "best performers."

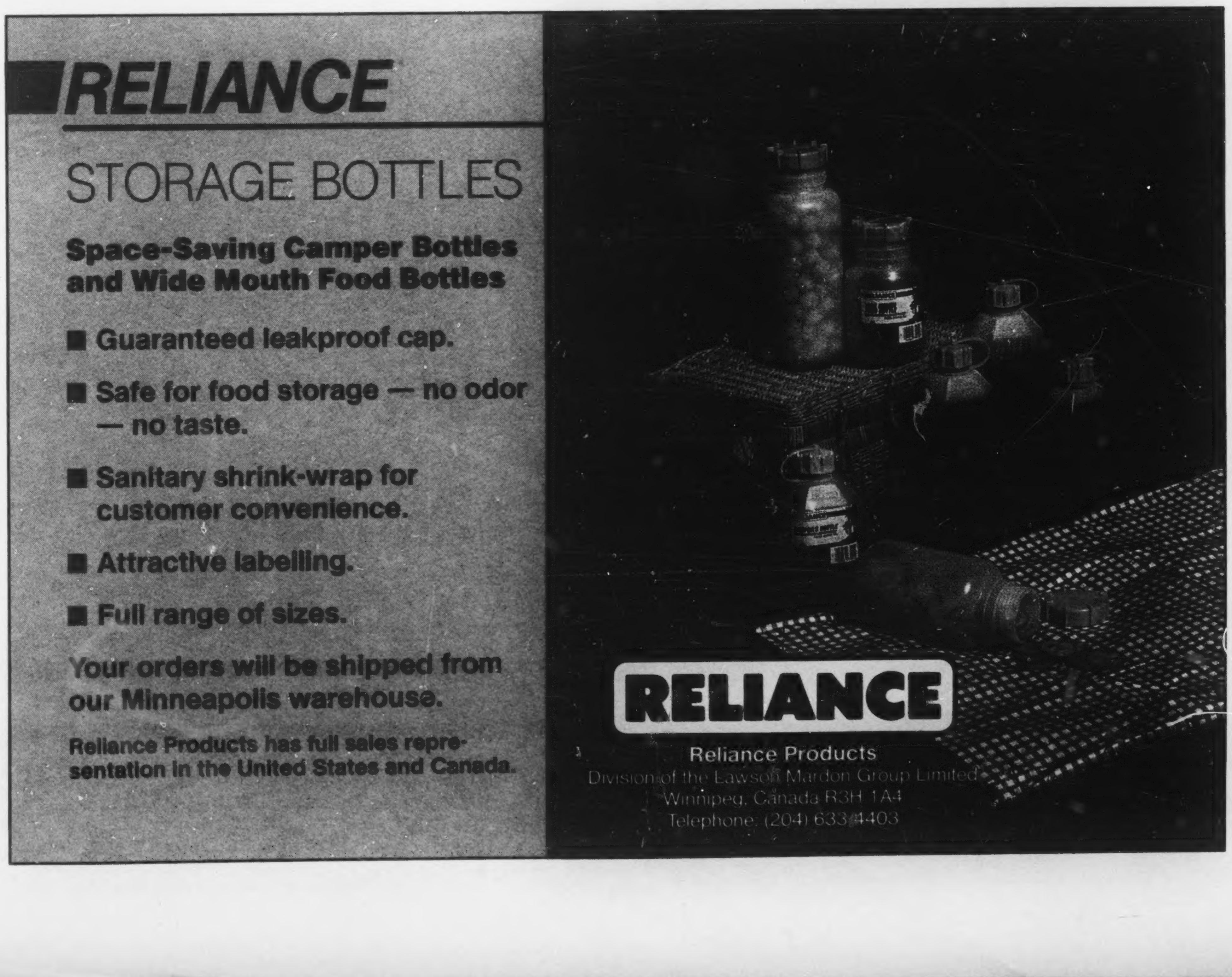
Also of note are brands that have gained consumer awareness after achieving a strong position with the trade. Notable examples include Gitano, Emerson, Mead, and Coleman. These brands are favorites of managers and also are gaining momentum among consumers. Jaclyn Smith apparel apparently is being viewed by consumers as a popular national name brand rather than a K mart store label.

Preference for brands was lowest in soft goods. Fewer than 50 percent of consumers stated a brand preference in domestics, ladies' apparel and children's apparel. This compares with upward of 90 percent of consumers who stated a preference in photo, household cleaners and H&BA.

Possibly because brand preference is low, more than one out of four consumers said they preferred a store brand or private label in women's and children's apparel. The lowest acceptance of private label was in toys, photo and CE, which also showed high levels of brand preference.

Sentry Sales Force
Sentry is the best selling name in Fire-Safes™ for good reasons:
- Patented, unique product design
- Colorful self-sell packaging
- Generous product warranty and co-op support

For information contact: Sentry Group
900 Linden Avenue, Rochester, NY 14625
1-800-828-1438; in NY 1-800-462-6463
SENTRY
Made in USA Patent Nos. 4,048,926; 4,541,545 Additional patents pending


RELIANCE
STORAGE BOTTLES
Space-Saving Camper Bottles and Wide Mouth Food Bottles
- Guaranteed leakproof cap.
- Safe for food storage — no odor — no taste.
- Sanitary shrink-wrap for customer convenience.
- Attractive labelling.
- Full range of sizes.

Your orders will be shipped from our Minneapolis warehouse.
Reliance Products has full sales representation in the United States and Canada.
RELIANCE
Reliance Products
Division of the Lawson Mardon Group Limited
Winnipeg, Canada R3H 1A4
Telephone: (204) 633-4403

Consumers May Skip or Switch Purchase

Consumer Snapshot:

They'd Rather Skip Top 5 Departments In Willingness To Skip Purchase If Their Preferred Brand Is Not Available in Store	**They'd Rather Switch** Top 5 Departments In Willingness To Switch to an Alternative Brand If Preferred Brand Is Unavailable
Cosmetics	Stationery and Cards
Consumer Electronics	Domestics
Automotive Supplies	Children's Apparel
Photo and Camera	Candy and Snacks
Men's Apparel	Personal Care Appliances

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Consumer Snapshot:

The Top 5 Departments In Private Label Preference	The Bottom 5 Departments In Private Label Preference
Women's Apparel	Toys
Children's Apparel	Photo and Camera
Hardware	Consumer Electronics
Men's Apparel	Personal Care Appliances
Domestics	Household Cleansers

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

(Continued from page 37)

Other high-risk categories include photo and camera, consumer electronics, automotive supplies, health and beauty aids, and cosmetics.

In the low-risk merchandise categories, consumers were more likely to find substitute brands or private label goods acceptable.

The survey identified seven low-risk categories—departments in which consumers have a low expectation of finding certain brands and are quite willing to substitute other labels. They are: stationery and cards—the department with the highest switch percentage—candy and snacks, housewares, household cleaners, personal care appliances, children's apparel and women's apparel.

The degree to which customers will switch or forgo the purchase varies considerably by product category and the confidence consumers have in finding their product at their discount store.

Confident of Finding Brand

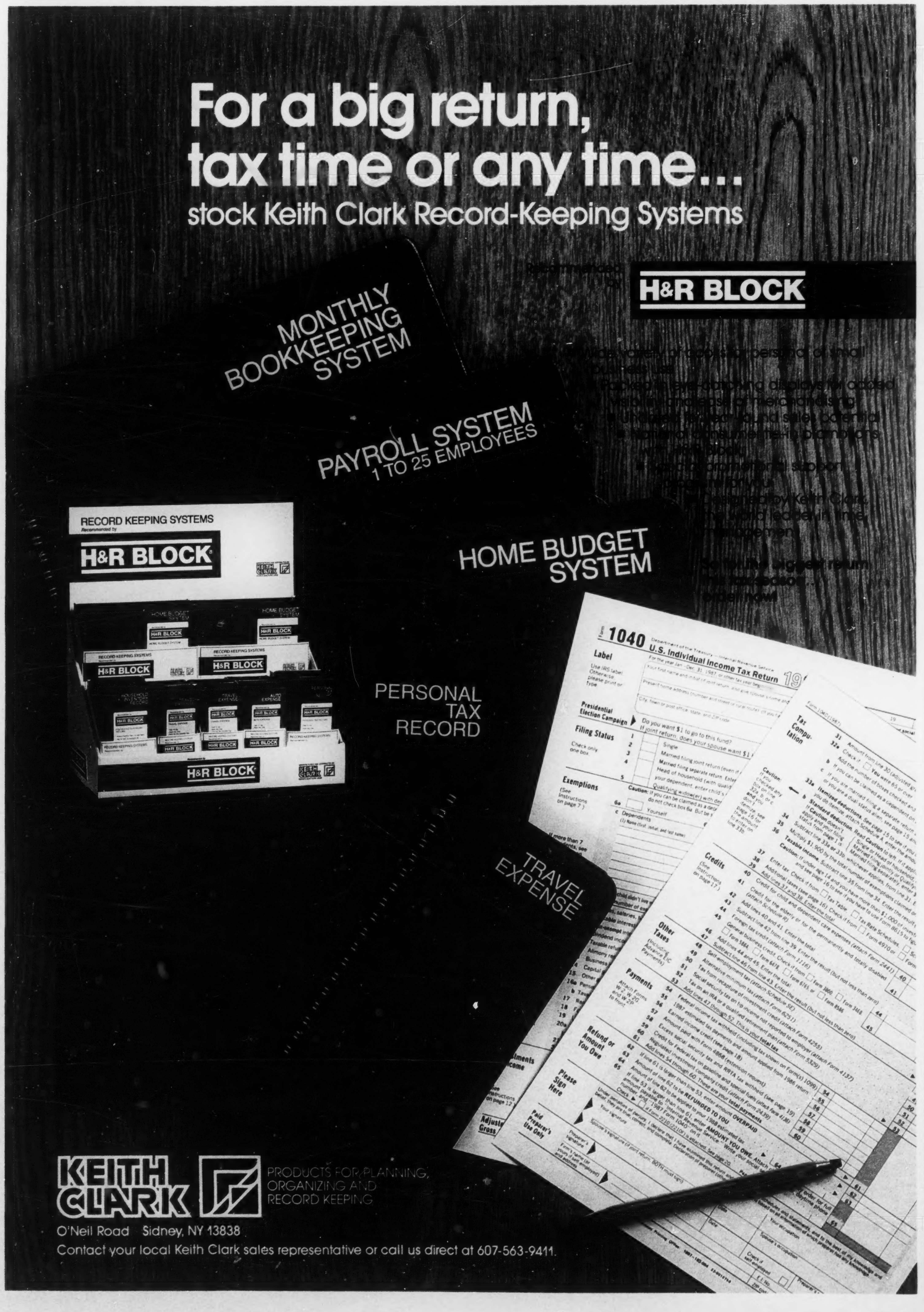
According to the survey, consumers are very confident they'll find candy and snacks, household cleaners, housewares, children's apparel and personal care appliances in the brands they want. But if they don't, they will switch brands.

However, in other departments, consumers would rather skip the purchase than switch to another brand. Health and beauty aids, photo and camera, toys and cosmetics are departments in which consumers not only expect a store to be carrying their preferred brand, but also won't switch to another brand. These departments recorded very high consumer brand preference percentages and expectations of retail availability.

Consumer acceptance of private label products varied by category and brand preference but not by age, education or gender.

Survey results revealed that preference for private label products is relatively high in departments where overall brand preference is relatively low. This is particularly true in such categories as apparel and domestics, areas where K mart has made major inroads with store label goods.

Among shoppers of the four largest discount store chains, brand sensitivity appears fairly even. However, Wal-Mart and Target customers are more willing to purchase private label merchandise than are K mart and Zayre shoppers. This may suggest that Wal-Mart and Target have been very successful at distinguishing their store labels and shoppers believe these products to be a good value. K mart, on the other hand, has developed its own products to such an extent that Jaclyn Smith, and perhaps Martha Stewart, might be perceived by many shoppers as national name brands.



KEITH CLARK
PRODUCTS FOR PLANNING, ORGANIZING AND RECORD KEEPING
O'Neil Road Sidney, NY 13838
Contact your local Keith Clark sales representative or call us direct at 607-563-9411.

Top Brands

Apparel

PART II: CONSUMER SURVEY

Fruit of the Loom Spins to Top of Men's Wear List

Nationwide DSN Report

Fruit of the Loom, with its slogan "We Fit America," is apparently doing just that, at least as far as discount store shoppers are concerned.

Fruit of the Loom topped all brands in the percentage of mentions by consumers when asked if they had a brand preference in men's apparel, according to a survey of discount store consumers' preferences conducted by Leo J. Shapiro & Associates for *DSN*.

Fruit of the Loom, which had been named by the largest number of store managers a year ago as among their best performing brands, dropped to No. 3 in this year's store managers' survey (see *DSN*, Oct. 10).

The popular Levi's jeans brand ranked No. 2 among consumers, much higher than its sixth place showing in the store managers' survey. One of the reasons for the discrepancy is that Levi's doesn't sell its brand directly to discounters, which undoubtedly affects the way store managers perceive the brand.

Hanes, another underwear brand, ranked No. 3 with consumers (it received the fourth-largest number of mentions from store managers), followed by the two other major jeans brands, Wrangler (second among store managers) and Lee (first among store managers).

Though they would be hard-pressed to find them in discount stores, consumers mentioned Arrow and Jockey often enough to rank these two popular department and specialty store brands at Nos. 6 and 7. The study's results are based on responses from households who have made at least three trips during the past year to discount department stores, which means those consumers may also shop elsewhere.

Dickies, Manhattan and Ocean Pacific were three brands in the store managers' top 10 that didn't make the consumers' top 10 list.

However, except for Dickies, which was No. 5 on the store managers' list, none of the brands on which consumers and store managers disagreed were in the top five on either list.

Among the three apparel categories, men's wear had the highest percentage—61 percent—of consumers who said they have a preference.

However, respondents shopping for men's wear were the least confident, compared to women's and children's wear shoppers, that they would find the particular brand they wanted. And men's wear shoppers were also the least tolerant if they didn't find what they wanted—55.7 percent of them said they would skip the purchase if they didn't find the brand they wanted.

Consumers shopping for men's wear had the least preference for private label apparel compared to women's and children's wear shoppers.

Consumer Brand Preferences in Men's Apparel

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Fruit of the Loom	21.1%	20.8%	18.6%	29.0%	20.8%
Levi's	18.0	17.3	18.4	10.6	15.7
Hanes	16.5	16.0	13.7	15.2	19.3
Wrangler	7.9	9.1	11.4	10.6	7.4
Lee	7.8	8.5	9.6	10.7	5.0
Arrow	7.0	6.1	10.7	5.1	5.1
Jockey	3.4	3.1	2.1	1.3	4.9
Haggar	3.0	3.4	5.6	2.6	2.9
McGregor	2.1	1.9	1.2	2.2	—
Rustler	1.7	2.0	1.2	—	2.1

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Men's Apparel Brands: Store Managers vs. Shoppers

Managers	Consumers
Lee	Fruit of the Loom
Wrangler	Levi's
Fruit of the Loom	Hanes
Hanes	Wrangler
Dickies	Lee
Levi's	Arrow
McGregor	Jockey
Rustler	Haggar
Manhattan	McGregor
Ocean Pacific	Rustler

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)?' and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?'

Source: Discount Store News/Leo J. Shapiro & Assoc.

Health-Tex Most Popular in Children's Apparel

Nationwide DSN Report

When shopping for children's apparel, more discount store consumers prefer the Health-Tex brand than any other brand, according to an exclusive consumer poll conducted by Leo J. Shapiro & Associates for *DSN*.

However, overall the level of brand preference in children's wear was relatively low compared to 16 other product categories surveyed.

Only 48 percent of the consumers said they had a brand preference, the second-lowest rating of all departments.

When asked to name their preferred brand, 11.2 percent of the consumers picked Health-Tex, followed closely by Levi's and Carter, both of which were preferred by 10.3 percent of respondents.

Looking at the top three brands, the survey also revealed a disparity between the brands preferred by consumers and the brands considered to be top performers by store managers. Only Health-Tex was mentioned in the top three slots by both groups.

In children's apparel, the store managers' list of best performing brands cited Lee first, then Curity and Health-Tex (see *DSN*, Oct. 10). Lee and Curity ranked only 10th, tied with Garanimals, Gerber, Russlers, and Nike among the consumers polled.

Carter, the brand mentioned by the third-highest percentage of consumers as a preferred brand, did not make the store managers' top 10 list.

Comparing the other top brands mentioned by consumers and store managers reveals other discrepancies. Missing in the store managers' top list, but mentioned by consumers, were Pampers, Huggies, Hanes and Wrangler. Store managers named Garanimals, Spencer's and Garan to round out their top 10.

Overall, children's wear shoppers were confident they would find their desired brand at the discount store where they shopped the most. On a confidence scale of 9, with 9 being highest, consumers rated the category a 7.44 average, about the middle range of all departments surveyed.

Some 43.9 percent of the discount shoppers were certain they would find their desired children's wear brand, while 40.2 percent were sure they would find the product.

Asked what they would do if they couldn't find their preferred brand, 59.8 of the respondents said they would switch to another brand, while the remaining consumers said they would skip the purchase entirely, meaning lost sales for the discounter.

This lack of brand loyalty was one of the lowest among all of the 17 categories.

In keeping with this brand perception, a relatively high 28 percent of consumers mentioned a private label or store brand as their preferred choice in children's wear.

Consumer Brand Preference In Children's Apparel

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Health-Tex	11.2%	11.6%	11.5%	19.0%	19.4%
Levi's	10.3	11.6	11.5	9.5	6.5
Carter	10.3	10.5	15.4	11.9	6.5
Pampers	5.6	6.3	11.5	7.1	9.7
Osh-Kosh	5.6	5.3	—	4.8	6.5
Huggies	5.6	5.3	3.8	2.4	3.2
Fruit of the Loom	4.7	4.2	7.7	2.4	6.5
Hanes	4.7	4.2	3.8	2.4	6.5
Wrangler	3.7	3.2	3.8	2.4	3.2

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Children's Apparel Brands: Store Managers vs. Shoppers

Managers	Consumers
Lee	Health-Tex
Curity	Levi's
Health-Tex	Carter
Liberty	Pampers
Garanimals	Osh-Kosh
Levi's	Huggies
Spencer's	Fruit of the Loom
Fruit of the Loom	Hanes
Osh-Kosh	Wrangler

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)?' and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/Leo J. Shapiro & Assoc.

Name Brand Consciousness Prevails in Cosmetics

Nationwide DSN Report

Female discount shoppers in search of cosmetics are extremely name brand-conscious and especially loyal to their preferred brand—which most often is Cover Girl.

Nearly 30 percent of women respondents to an exclusive consumer survey, conducted for *DSN* by Leo J. Shapiro & Associates, said Cover Girl is the brand they would want to buy when shopping for cosmetics in a discount department store. (The survey polled female consumers who had shopped at a discount store at least three times during the past year.)

These discriminating cosmetics consumers prefer name brands 85 percent of the time—the fifth-highest ranking among the 17 categories studied in the survey.

Closely behind Cover Girl in the eyes of cosmetics shoppers was Maybelline, with 28.9 percent of respondents naming it as their preferred brand.

Discount store managers also named those two brands most frequently as the top performing brands in their cosmetics department (see *DSN*, Oct. 10).

However, while the battle between the two brands with consumers was closely fought—with Cover Girl leading Maybelline by less than 1 percentage point—discount store managers gave Maybelline the edge over Cover Girl by a comfortable margin.

Revlon ranked third with both groups, as 20.8 percent of women shoppers named it as their preferred brand, and 31 percent of store managers mentioned it as among their top performing brands.

Rounding out the top 10 brands in terms of discount store consumers' preference were L'Oreal, Max Factor, Almay, Avon, Clairol, Coty and Cutex.

By comparison, Max Factor, Noxell, L'Oreal, Clairol, Aziza, Sally Hansen and Hazel Bishop finished fourth through 10th on the store managers' list of top performing brands.

When consumers went looking for their preferred cosmetic brand at their favorite discounter, they were confident of finding the desired name brand. On a scale of 1 to 9, with 9 meaning they were certain they would find their favorite cosmetic brand in stock, consumers rated the category an average of 7.65. This degree of confidence was the second-highest among the 17 categories surveyed.

And, it's a good thing that discount stores appear to be stocking their customers' favorite brands. According to the survey, if consumers do not find their preferred brand in stock, they are more likely to leave the store empty-handed.

The survey revealed that cosmetics had the highest brand loyalty of the 17 departments surveyed, with some 64.2 percent of the shoppers reporting that they would skip the purchase entirely if the discount store they shop did not have their desired brand in stock. Only 35.8 percent would make the switch to another brand if necessary.

The overall strength of name brands also cut into the appeal of private labels among cosmetics shoppers. Only 5.8 percent of the respondents named a private label as their preferred choice in cosmetics.

Consumer Brand Preference in Cosmetics

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Cover Girl	29.5%	31.8%	31.3%	35.4%	27.9%
Maybelline	28.9	27.8	37.5	25.0	26.2
Revlon	20.8	19.9	12.5	14.6	24.6
L'Oreal	6.9	6.6	4.2	4.2	14.8
Max Factor	4.6	4.6	—	6.3	4.9
Almay	3.5	2.6	2.1	4.2	1.6
Avon	3.5	4.0	2.1	6.3	—
Clairol	2.9	3.3	—	4.2	—
Coty	2.9	2.6	—	2.1	3.3
Cutex	2.3	2.0	2.1	2.1	1.6

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Cosmetics Brands: Store Managers vs. Shoppers

Managers	Consumers
Maybelline	Cover Girl
Cover Girl	Maybelline
Revlon	Revlon
Max Factor	L'Oreal
Noxell	Max Factor
L'Oreal	Almay
Clairol	Avon
Aziza	Clairol
Sally Hansen	Coty
Hazel Bishop	Cutex

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/Leo J. Shapiro & Assoc.

Brand Names Less Important in Women's Apparel

Nationwide DSN Report

Consumers were relatively ambivalent about having a preference for a national brand in women's apparel, but when they do make a choice their favorite brand is Lee, according to the results of a nationwide survey of discount store shoppers conducted by Leo J. Shapiro & Associates for *Discount Store News*.

Overall, discount store consumers consider brand names in women's apparel to be less important than they are in men's and children's apparel.

In fact, of 17 product categories surveyed, the lowest percentage of shoppers—only 42.2 percent—said they had a brand preference in women's apparel.

Slightly more shoppers had a brand preference in children's apparel—48 percent—while 61 percent of respondents said they had a brand preference in men's apparel.

In contrast, departments like household cleaners and photo and camera generated responses from some 96 percent of shoppers who said they had a brand preference in those categories.

For those consumers with a preference in women's apparel, Lee was mentioned by 12 percent as being the preferred brand they would buy when making a purchase at a discount store.

The next most often mentioned brand by consumers was Gitano, with 9.4 percent. In a survey of discount store managers' top performing brands (see *DSN*, Oct. 10), Gitano received the highest number of mentions, followed by Lee, among store managers polled.

However, consumers' preferences and store managers' top performers parted ways after the top two brands.

Following Lee and Gitano on the consumers' top 10 list were L'eggs, Levi's, Playtex, No Nonsense, Jaclyn Smith, Wrangler, Chic and Jordache.

Store managers, however, gave a different slant to the third through 10th positions: Jaclyn Smith, Chic, Bobbie Brooks, Wrangler, Playtex, Levi's, Cape Cod and Fruit of the Loom.

Shoppers at the four largest discount store chains held widely differing opinions of their favorite brands. For example, Lee was the preferred brand of 14 percent of Zayre shoppers (all those who shopped Zayre three times in the past year) and 10.6 percent of K mart shoppers.

But, only 8.3 percent of Target shoppers and an even lower 6.9 percent of Wal-Mart shoppers said Lee was their preferred brand in women's apparel.

When looking for their preferred brands, consumers were only fairly confident they would find their favorite women's apparel brand in a discount store. On a scale from 1 to 9, with 9 meaning customers were certain of finding a brand and 1 meaning they felt it was unlikely they would find the brand, women's apparel scored a 6.99 average rating. The only two categories which received a lower rating in terms of shoppers being confident about finding their preferred brands were sporting goods and men's apparel.

If consumers were unable to find the women's apparel brand of their choice, 54.7 percent said they would switch to another brand, while 45.3 percent said they would forgo making the purchase entirely. This brand loyalty was one of highest of the categories surveyed, ranking just behind cosmetics.

Customers appear to have a high receptiveness to private label in this category. About 30 percent of the respondents said they would choose a private label brand in women's apparel.

This private label rating was the highest among all 17 categories in the survey, reflecting the high number of private label products available in the department.

Top Women's Apparel Brands: Store Managers vs. Shoppers

Managers	Consumers
Gitano	Lee
Lee	Gitano
Jaclyn Smith	L'eggs
Chic	Levi's
Bobbie Brooks	Playtex
Wrangler	No Nonsense
Playtex	Jaclyn Smith
Levi's	Wrangler
Cape Cod	Chic
Fruit of the Loom	Jordache

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/Leo J. Shapiro & Assoc.

Consumer Brand Preferences In Women's Apparel Department

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Lee	12.0%	10.6%	6.9%	14.0%	8.3%
Gitano	9.4	10.6	6.9	16.3	2.8
L'eggs	7.7	8.7	10.3	7.0	13.9
Levi's	6.0	4.8	13.8	4.7	5.6
Playtex	6.0	4.8	6.9	11.6	5.6
No Nonsense	4.3	4.8	6.9	2.3	2.8
Jaclyn Smith	3.4	3.8	6.9	4.7	2.8
Wrangler	2.6	2.9	—	2.3	5.6
Chic	2.6	2.9	—	2.3	5.6
Jordache	2.6	1.9	—	—	2.8

Source: Discount Store News/Leo J. Shapiro & Assoc.

Top Brands
Home Products

PART II: CONSUMER SURVEY

Brand Loyalty Is Pronounced in Household Cleaners

Consumer Brand Preferences In Household Cleaners

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Tide	23.3%	22.9%	21.7%	27.4%	23.9%
Comet	18.4	18.5	19.8	19.8	23.1
Lysol	11.5	11.8	13.2	10.4	7.7
Windex	11.2	10.8	13.2	8.5	13.7
Pine-Sol	10.1	10.1	7.5	10.4	11.1
Ajax	9.2	8.8	5.7	8.5	12.8
Ivory	8.6	9.1	6.6	10.4	6.8
Dawn	8.4	9.4	11.3	8.5	11.1
Clorox	6.3	6.1	9.4	4.7	4.3
Colgate-Palmolive	5.5	5.7	4.7	5.7	5.1

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

When it comes to household cleaning products, consumers demand nationally known products over private label goods, according to an exclusive study of consumer brand preferences conducted by Chicago-based Leo J. Shapiro & Associates for *DSN*.

Moreover, the study reported that half the respondents would rather skip the purchase entirely than purchase an alternative product if their preferred brand was not available at the discount store they shop.

With the exception of the photo/camera category, more consumers reported a brand preference in household cleaners and detergents than in any of the other categories considered in the poll. Ninety-six percent of the respondents to the survey said they had a brand preference in household cleaners.

The largest percentage of consumers named Tide as the brand they prefer when shopping for household cleaners at a discount store. According to the survey, the next most often preferred brands were Comet, Lysol, Windex, Pine-Sol, Ajax, Ivory, Dawn, Clorox and Colgate-Palmolive.

These product preferences varied somewhat from the discount store managers' list of top performing brands in the household cleaner category.

Store managers did give Tide the top spot on their brands survey (see *DSN*, Oct. 10), but the rest of their top 10 list included Windex, Clorox, Fantastic, Cheer, Lysol, Downey, Comet, Purex and Formula 409.

The consumers surveyed were fairly confident that they will find their preferred brands when shopping at a discount store.

Only in the categories of health and beauty aids, photo/camera and candy/snacks were consumers more certain of finding their preferred brands than those shopping for household cleaning products.

The survey also revealed that consumers are finicky about buying specific brands. Only 4 percent of the consumers surveyed expressed an interest in private label goods in this category. In addition, half the shoppers surveyed said they would forgo the purchase if they can't find the exact brand they want.

Top Household Cleaner Brands: Store Managers vs. Shoppers

Managers	Consumers
Tide	Tide
Windex	Comet
Clorox	Lysol
Fantastic	Windex
Cheer	Pine-Sol
Lysol	Ajax
Downey	Ivory
Comet	Dawn
Purex	Clorox
Formula 409	Colgate-Palmolive

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Shoppers Like Wide Variety of Housewares Brands

Nationwide DSN Report

Discount stores could lose nearly one-third of their housewares customers if they are not responsive to the brand preferences of those shoppers, according to an exclusive consumer study conducted by Leo J. Shapiro & Associates for *DSN*.

Fortunately for discounters, the study also reveals that, for the most part, discount store assortments closely mirror the items their customers want. Eighty-five percent of shoppers surveyed said they are either positive or fairly confident of finding the housewares brand they want at the discount store they shop at most frequently.

About 65 percent of discount department store customers have some sort of brand preference when shopping for housewares (about the middle of the pack for the 17 departments surveyed), while the other 35 percent are indifferent to which manufacturer produced the housewares merchandise.

Of the brand-sensitive majority, however, half (or about one-third of all housewares shoppers) would not switch to another brand if the store did not offer the specific label desired. They said they would skip the purchase entirely if their preferred brand was not in stock at the store.

The study also revealed a fairly high degree of agreement between consumers and discount store managers on the top housewares brands. Of the top 10 brands mentioned by both groups of respondents (see *DSN*, Oct. 10), six brands showed up on both lists.

However, unlike the store managers surveyed, the consumers' preferences for individual brands was much more broadly based. That is, consumers named a lengthy laundry list of labels among the preferred choices, while store managers tended to concentrate their responses among the few top brands.

Rubbermaid was the brand named by discount store consumers as their preferred brand followed by General Electric and Corning. The store managers named Rubbermaid and Corning's Corelle as their top performers.

GE's high rate of mentions as a preferred brand is intriguing because it has been about three years since Black & Decker bought GE's small electric housewares business and converted the GE label to Black & Decker. Consumers were probably responding more to the overwhelming awareness of one of the world's largest conglomerates rather than to a particular housewares product.

Indicative of the broad-based support given to a large number of housewares brands is the fact that most of those mentioned by consumers received only about 2 percent of total mentions.

Furthermore, nearly 37 percent identified brands which individually did not garner more than 0.2 percent of consumer mentions.

These figures underscore the difficult task housewares buyers face of fitting numerous brands consumers demand within the finite boundaries of their housewares departments.

Only 8.5 percent of discount store shoppers named a private or store label as their preferred choice in the housewares department.

Consumer Brand Preferences in Housewares

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Rubbermaid	14.6%	16.2%	11.9%	14.0%	13.6%
General Electric	12.8	12.8	9.9	15.8	11.0
Corning	9.9	9.9	10.5	6.7	8.6
Cannon	5.7	6.1	8.3	7.3	2.8
Corelle	5.1	5.4	6.3	3.9	6.1
Ecko	4.0	4.8	3.6	5.4	3.5
Visions	3.5	3.5	4.7	3.4	4.1
Sunbeam	3.3	2.9	1.0	1.7	3.3
Black & Decker	3.0	3.3	1.1	3.3	3.8
Libbey	2.8	3.1	3.5	3.5	3.0

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Housewares Brands: Store Managers vs. Shoppers

Managers	Consumers
Rubbermaid	Rubbermaid
Corelle	General Electric
Visions	Corning
Corning	Cannon
Black & Decker	Corelle
Proctor Silex	Ecko
Ecko	Visions
SilverStone	Sunbeam
Revere	Black & Decker
Regal	Libbey

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Cannon Tames Rival Brands in Domestics Category

Nationwide DSN Report

Cannon, the clear-cut choice of discount store managers as the top performing brand name in discount domestics departments, was even more popular with consumers, a study conducted by Leo J. Shapiro & Associates for *DSN* revealed.

Almost two-thirds of discount store domestics shoppers surveyed said that Cannon is their preferred brand. By comparison, 53 percent of store managers named Cannon as the top performing brand (see *DSN*, Oct. 10).

The runner-up among shoppers was Cannon's sister brand, Fieldcrest, with a little over 5 percent of mentions, giving the pair almost 70 percent of the total mentions.

J.P. Stevens, which finished second in the poll of discount store managers, finished third among consumers, with 4.7 percent of brand mentions. However, inclusion of its allied Tastemaker brand would have lifted it into second, with about 6 percent of mentions. Martex (4.1 percent) and St. Mary's (3.5 percent) rounded out the top five brands among consumers.

Results of the consumer poll were similar to the recent poll of discount store managers, with seven brands listed on both groups' top lists.

Except for J.P. Stevens, which received nearly 20 percent of managers' mentions vs. 5 percent of consumer mentions, and Fieldcrest, which performed better among consumers than among managers, the lists were very similar, indicating that discount store managers have a good grip on what consumers are looking for in the domestics department.

Rounding out the consumer top list were Pepperell, Burlington, Santa Cruz, Dan River, and Tastemaker and Spring Maid tied for 10th place.

Overall, domestics shoppers were only moderately certain of being able to find their favorite brand at their local discount store. Only 42 percent said that they were "certain" of finding their brand; a relatively high 20 percent said they were "unsure."

Overall, on a 1 to 9 scale of certainty ("9" equals "sure") domestics shoppers scored a mean of 7.36, which compares to a high mean of 7.99 in the H&BA department and a low of 6.79 in sporting goods.

However, domestics shoppers were better-than-average bets to either switch brands or to purchase private label goods. Asked if they would forgo a purchase if their favorite brand was unavailable at their discount store, 65 percent said that they would switch to another label.

With the exception of the stationery department, where consumers will evidently switch brands more quickly (67 percent), domestics had the highest figure among all 17 departments surveyed.

Domestics shoppers were also among the most open to buying store brands of merchandise. Nearly 15 percent said that they had a preference for private label goods, the third-highest total among all departments (women's and children's apparel, at 29 and 28 percent, respectively, led the pack by wide margins).

Top Domestics Brands: Store Managers vs. Consumers

Managers	Consumers
Cannon	Cannon
J.P. Stevens	Fieldcrest
Pepperell	J.P. Stevens
St. Mary's	Martex
Springs/Spring Mills	St. Mary's
Kenney	Pepperell
Fieldcrest	Burlington
Dan River	Santa Cruz
Graber	Dan River
Newell	Tastemaker
Santa Cruz	Spring Maid

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/Leo J. Shapiro & Assoc.

Consumer Brand Preference In Domestics Department

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Cannon	64.3%	61.5%	73.7%	66.0%	57.4%
Fieldcrest	5.3	4.7	1.8	5.7	11.1
J.P. Stevens	4.7	5.4	7.0	5.7	7.4
Martex	4.1	4.1	3.5	1.9	3.7
St. Mary's	3.5	3.4	1.8	5.7	3.7
Pepperell	3.5	3.4	1.8	7.5	1.9
Burlington	1.8	2.0	—	3.8	1.9
Santa Cruz	1.2	1.4	1.8	1.9	1.9
Dan River	1.2	1.4	1.8	—	—
Tastemaker	1.2	1.4	—	1.9	—
Spring Maid	1.2	1.4	1.8	—	3.7

Source: Discount Store News/Leo J. Shapiro & Assoc.

Discount Shoppers Name GE as Top CE Brand

Consumer Brand Preference In Consumer Electronics

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
General Electric	19.7%	20.6%	17.0%	13.6%	13.6%
Sony	15.7	15.5	10.6	20.3	18.2
Panasonic	14.6	13.5	12.8	13.6	10.6
Sharp	9.6	10.3	14.9	13.6	3.0
RCA	7.3	8.4	14.9	6.8	10.6
Zenith	7.3	7.7	6.4	11.9	9.1
Nintendo	4.5	5.2	8.5	8.5	7.6
Apple	3.9	3.2	2.1	3.4	1.5
Emerson	3.4	3.2	4.3	3.4	4.5
TDK	3.4	3.9	6.4	1.7	7.6

Source: Discount Store News/Leo J. Shapiro & Assoc.

Nationwide DSN Report

General Electric, which finished second to Emerson in a recent poll of discount store managers' top performing brands, appears to be more popular with consumers. The Fairfield, Conn.-based electronics giant was the most-mentioned brand in a survey of consumer shopping preferences conducted for *DSN* by Leo J. Shapiro & Associates.

GE received almost 20 percent of the total preference mentions of the consumers polled compared to 15.7 percent for runner-up Sony. Nearly 15 percent of the consumers preferred Panasonic, placing the company third on the top 10 list of consumer brands. Sharp (9.6 percent) finished fourth, with RCA and Zenith tying for fifth. Nintendo, Apple, Emerson and TDK rounded out the top 10.

The results of the survey closely matched the poll of discount store managers (see *DSN*, Oct. 10), with the two groups agreeing on eight of the top 10 brand names. Store managers, who were asked to name their best performing brands in the consumer electronics department, mentioned GoldStar and Magnavox over Apple and TDK.

In order to build its name recognition, Magnavox recently implemented a record $50 million national consumer advertising campaign.

GoldStar is also involved in a marketing strategy to to upgrade its image among consumers. The company has introduced higher-end products and has widened its product offering while maintaining low price points, which may in part explain its popularity with store managers.

Emerson, which won the store manager poll, finished only ninth among consumers.

Compared to other departments, consumers were relatively unsure about finding the products they want at their local discounters.

About eight of 10 consumers expressed some sort of brand preference, but only about one-third of them were "certain" that they could find their preferred brand at their regular discount store. Another 44 percent were relatively sure they could find it, however, and a little under 20 percent weren't sure at all.

By comparison, some 60 percent of photo/camera shoppers were "certain" they could find a preferred brand, nearly twice the CE rating. The only category with a lower "certain" rating was men's apparel, at 32 percent.

Asked to rate their degree of confidence in finding their preferred name brand at the discount store they shop, consumers gave consumer electronics a mean rating of 7.08 (on a scale of 1 to 9), which ranked only 14th among the 17 departments surveyed.

In what appears to be bad news for discounters who don't carry the top brands, CE shoppers were also significantly less likely than consumers in other departments to either switch brands or to buy private label products.

A mere 3.4 percent of CE shoppers said that they would accept a private label brand in consumer electronics, the third-lowest percentage in the 17 departments under consideration.

Similarly, only 42 percent of consumers indicating a consumer electronics brand preference said that they would switch brands rather than forgo a purchase altogether. While CE is not far off the average, only one other category, cosmetics (36 percent), showed little inclination to substitute other brands.

The bottom line appears to be that CE shoppers are very concerned with quality, and with the proliferation of brands available in the market (particularly at the discount end), they equate quality with a well-known brand name.

Top Consumer Electronics Brands: Store Managers vs. Consumers

Managers	Consumers
Emerson	General Electric
General Electric	Sony
GoldStar	Panasonic
RCA	Sharp
Panasonic	RCA
Sony	Zenith
Nintendo	Nintendo
Sharp	Apple
Magnavox	Emerson
Soundesign	TDK

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/Leo J. Shapiro & Assoc.

Kodak Develops Wide Appeal Among Consumers

Consumer Brand Preferences In Photo/Camera Department

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Kodak	83.7%	84.0%	85.4%	79.8%	86.9%
Fuji	9.2	8.9	11.7	6.4	5.7
Polaroid	7.7	8.2	11.7	5.3	7.4
Canon	3.9	3.9	3.9	3.2	2.5
Duracell	3.6	3.9	1.9	6.4	3.3
Eveready	2.1	2.1	1.9	3.2	1.6
Sony	1.8	1.4	—	3.2	1.6
Sylvania	1.2	1.4	1.0	2.1	—
Scotch/3M	1.2	1.4	2.9	2.1	—
Memorex	1.2	1.4	—	1.1	1.6

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

While Kodak is a strong brand among discount store managers, the brand is even more dominant among consumers, an exclusive study conducted by Leo J. Shapiro & Associates for *DSN* found.

Nearly 84 percent of consumers with a brand preference named Kodak among the brands they favored. This was over nine times the rating given by consumers to second place Fuji.

The study, which interviewed consumers who shop at discount stores regularly (three or more times a year), is a companion piece to *DSN*'s Top Brands Survey of discount store managers, which polled the managers about which brands performed best in each of 17 discount departments (see *DSN*, Oct. 10).

Fuji, with just under 10 percent of mentions, was almost as popular, in comparative terms, with consumers as with discount store managers. According to the poll, 9.2 percent of consumers mentioned Fuji as a preferred brand, against 9.3 percent of managers who identified the brand as a top performer.

However, relative to brands other than Kodak, Fuji received more mentions by consumers than by discounters. In the poll of store managers, the brand finished fifth; among consumers, it finished second, slightly ahead of Polaroid, which finished second among store managers.

Consumers who had shopped at a Wal-Mart within the last year gave Fuji its best rating (11.7 percent), something of a surprise since Wal-Mart two years ago dropped all Fuji products in pursuit of its "Buy American" strategy. Polaroid also did better (11.7 percent) among Wal-Mart shoppers than among shoppers at other chains.

Kodak was the most popular brand among Target shoppers (86.9 percent) and exhibited slightly less dominance among Zayre customers (79.8 percent), a remarkably consistent showing overall.

Fuji, in contrast to its preference among shoppers at Wal-Mart, was less popular with Target shoppers.

Canon, which finished third among store managers (with 19 percent of them mentioning the brand), was fourth in consumer preference, with 3.9 percent of the total mentions.

Of the remaining CE brands, only battery makers Duracell (fifth) and Eveready (sixth) gained more than 2 percent of consumer mentions.

Photo shoppers seemed to be very confident that they would find their preferred brand at local discount stores. Nearly 60 percent said they were "certain" they could find the brand, with another 28 percent saying they were pretty sure.

Other than the H&BA category, photo received the highest overall rating among discount departments, with a 7.89 mean level of certainty (on a scale of 1 to 9, with 9 meaning "certain"). However, photo consumers were more likely than any others to be "certain" of finding their preferred brands at discounters.

Photo consumers are also very open to switching brands. Asked if they would forgo a purchase if the brand they preferred wasn't available, 43 percent said they would buy another brand. Overall, consumers were more likely to switch brands in only five other categories, led by stationery (67 percent).

Predictably, the photo category scored second lowest (just above toys) in preference for private label products (3 percent, compared to a high of 29 percent in women's apparel). Consumers have very strong brand preferences, and while they might be willing to switch to another well-known brand, private labels seem to have very little appeal.

When speaking of brand-switching in the photo department, the obvious reference point is Kodak, and more particularly Kodak film. The brand is dominant, but the large number of consumers who indicated they might be willing to switch indicates that other brands, most notably Fuji, have a chance to make further inroads in the market.

Top Photo/Camera Brands: Store Managers vs. Shoppers

Managers	Consumers
Kodak	Kodak
Polaroid	Fuji
Canon	Polaroid
Minolta	Canon
Fuji	Duracell
Scotch/3M	Eveready
Duracell	Sony
Pentax	Sylvania
Nikon	Scotch/3M
Keystone	Memorex

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)?' and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?'

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Consumers Are Willing to Find Substitute Brands

Nationwide DSN Report

While Clairol and Conair were named as top brands among consumers shopping discount stores for personal care appliances, few shoppers have any qualms about switching to another national name brand if their preferred brand is not available.

In an exclusive study of consumer brand preferences, conducted by Leo J. Shapiro & Associates for *DSN*, approximately 69 percent of discount store consumers expressed a preference for a national brand in the personal care appliance category.

However, 55.1 percent said they would find a substitute brand if their first choice was not available in the store, and 44.9 percent would skip the purchase. Only 3.9 percent said they would prefer a discounter's own line or a private label personal care appliance.

Survey results revealed a tendency for consumers to shy away from buying private label products in categories where the key features of the product cannot be ascertained from simply looking at the item or reading the product label, as is true of most electrically operated merchandise like consumer electronics and personal care appliances.

Conair had been singled out as the personal care department performance leader by discount store managers (see *DSN*, Oct. 10), but Clairol was the most often preferred brand among consumers.

As in housewares, the General Electric brand continues to be a top performer despite the fact that the brand name has not existed since Black & Decker bought the company's appliance division about three years ago. GE received the third-highest percentage of mentions from consumers as a preferred brand. Store managers, presumably more aware of brand availability, placed GE seventh on their list of best performing brands.

Consumers said they are generally confident about finding the brand of personal care appliance they prefer in a discount store. More than eight out of 10 consumers said they were "certain" or "sure" of finding their brand, giving the category a mean rating of 7.46 on a scale of 1 to 9 (with 9 meaning "certain").

Of the 17 departments studied, only four other departments exhibited both a high willingness to switch to another brand and a high confidence of finding the brand: candy and snacks, household cleaners, housewares and children's apparel. In all these categories, discount shoppers are both confident of finding their favorite brand and have few qualms about switching to another brand if their preferred brand is not available.

The results suggest that it should be relatively easy to satisfy the personal care appliance shopper. Brand preference is dominated by the top five brands, with only about 15 percent preferring a brand other than those listed on the consumers' top 10 list.

Consumer Brand Preferences In Personal Care Appliances

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Clairol	26.0%	25.0%	32.3%	13.3%	40.0%
Conair	23.6	24.0	16.1	23.3	20.0
General Electric	12.6	12.5	12.9	13.3	13.3
Vidal Sassoon	11.0	10.6	12.9	10.0	17.8
Norelco	10.2	9.6	3.2	16.7	6.7
Gillette	6.3	5.8	3.2	6.7	4.4
Windmere	3.1	3.8	—	6.7	4.4
Schick	3.1	1.9	3.2	6.7	—
Remington	3.1	3.8	6.5	3.3	4.4
Goody	3.1	3.8	6.5	—	2.2

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Personal Care Appliance Brands: Store Managers vs. Shoppers

Managers	Consumers
Conair	Clairol
Clairol	Conair
Windmere	General Electric
Vidal Sassoon	Vidal Sassoon
Norelco	Norelco
Remington	Gillette
General Electric	Windmere
Black & Decker	Schick
Sunbeam	Remington
Jerri-Redding	Goody

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)?' and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?'

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Brands Hard Lines

PART II: CONSUMER SURVEY

Mattel Leads Toy Brands in Consumer Preference

Top Toy Brands: Store Managers vs. Shoppers

Managers	Consumers
Fisher-Price	Mattel
Mattel	Fisher-Price
Playskool	Tonka
Milton Bradley	Hasbro
Hasbro	Coleco
Little Tikes	Milton Bradley
Coleco	Playskool
Kenner	Lesney/Matchbox
Parker Bros.	Parker Bros.
Huffy	LEGO

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

Mattel was the toy department name brand preferred by the largest percentage of discount store shoppers in a just-completed survey of consumer brand preferences. Fisher-Price ranked second on consumers' top 10 list of name brands, according to the survey conducted by Leo J. Shapiro & Assoc. for *DSN*.

The consumer ranking reverses the order of top performers that store managers gave brands in the toy department. In a survey conducted among store managers, Fisher-Price received the largest number of mentions as a best performing brand in the department, followed by Mattel (see *DSN*, Oct. 10).

Tonka, parent of Kenner and Parker Bros., was a strong third among consumers while ranking No. 11 among store managers.

Those are the major differences between the rankings of top brands by consumers as compared to the top rankings by discount store managers.

Among those who had shopped at least three times during the past year at discounters, 29 percent named Mattel as their preferred brand, compared to 24 percent that named Fisher-Price.

To the contrary, Fisher-Price received 54 percent of manager mentions, while Mattel received 30 percent of manager mentions.

And 11 percent of shoppers said Tonka was their favorite brand, compared to 3 percent of store managers who said it was a best performing brand in their stores.

The survey also showed that consumers are demonstrating a greater degree of loyalty than store managers to Coleco, as it struggles in Chapter 11 bankruptcy. Among consumers, 9 percent said it was their preferred brand, putting it No. 5 on the Top 10 chart. Managers, however, ranked it No. 7, down from No. 4 in 1987.

Consumers also gave top 10 billing to Lesney/Matchbox, No. 8, with 5 percent saying it was their preferred brand, and to LEGO, No. 10, with a 4 percent response.

Toy shoppers showed a strong preference for national brands, with 77 percent expressing such a preference.

Consumer Brand Preferences in Toy Department

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Mattel	28.5%	27.5%	25.5%	26.7%	20.5%
Fisher-Price	23.7	23.4	23.5	20.0	24.7
Tonka	10.8	10.1	11.8	6.7	9.6
Hasbro	10.8	12.0	17.6	8.3	9.6
Coleco	9.1	9.5	9.8	11.7	11.0
Milton Bradley	8.1	8.2	3.9	6.7	8.2
Playskool	5.9	5.7	5.9	5.0	6.8
Lesney/ Matchbox	5.4	5.7	3.9	8.3	5.5
Parker Bros.	4.3	4.4	—	6.7	2.7
LEGO	4.3	3.8	3.3	3.3	4.1

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Given the advertising-driven nature of the toy business, it should come as no surprise that shoppers take a dim view of private label toys. Only 1 percent said they prefer a private label toy.

Almost half, 48 percent, said they were "certain" that they would find the brands they want in their discount stores, while 34 percent more said they were "sure" their brands would be in stock.

In the survey, shoppers displayed a tenuous loyalty to their brands, however, with 49 percent saying they would switch to another brand if their favorite was out-of-stock, while 51 percent said they would skip the purchase.

Pennzoil Takes Pole Position in Automotive Brands

Nationwide DSN Report

To a remarkable degree, discount store shoppers agreed with store managers about top brands in the automotive aftermarket, with eight out of 10 top brands appearing on both top 10 lists and in close to the same order of ranking. These findings were revealed in a study conducted by Leo J. Shapiro & Associates for *DSN*.

The top three on the managers' list were the same among consumers, Pennzoil, Quaker State and Fram, respectively. Discount store managers were asked to name their best performing brands in the department (see *DSN*, Oct. 10).

Along with managers, consumers, asked to name the brand they prefer to buy, also put Armor All into the Top 10.

Where they differed: consumers listed Turtle Wax as No. 4 among their top 10 brands, whereas it slipped off the managers' top 10 list.

And consumers stuck with another well-known brand, AC-Delco, in stating their preferences, whereas it too dropped off the managers' list.

In other differences, managers named Havoline and Prestone among their top 10 brands. But, consumers put Prestone No. 11 in their top brands preferences and Havoline came out No. 15. For each brand, 2 percent of consumers surveyed said it was their favorite brand.

Rain Dance, which Armor All bought recently from Borden, came in No. 16 on the list of consumer preferences. About 1 percent of consumer respondents named Rain Dance as their favorite.

Among consumers surveyed, 26 percent listed Pennzoil as their preferred brand, compared to 22 percent for Quaker State. In contrast, managers favored Pennzoil by a slight margin, 30 percent to 29 percent for Quaker State.

Seventy-eight percent of shoppers surveyed expressed a brand preference. A significant number, 12 percent, named a private label or store brand as their preferred choice in the department.

Consumers also expressed a high degree of confidence that their discounters would have their preferred brands in stock. Forty percent said they were "certain" they would find their favorite in stock, while 37 percent more said they were "sure" they'd find their favorite brand in stock.

Consumers also indicated a strong loyalty to their brands. Asked what they would do if their top brands were out-of-stock, 57 percent said they would skip the purchase, while only 42 percent said they would switch brands.

Consumer Brand Preferences in Automotive Department

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Pennzoil	26.0%	24.5%	22.9%	25.2%	28.6%
Quaker State	21.9	22.8	22.4	26.3	20.6
Fram	11.2	11.0	16.4	10.1	13.6
Turtle Wax	8.7	8.3	9.8	11.7	4.2
Valvoline	8.2	8.8	9.0	6.9	10.2
AC-Delco	7.5	7.8	8.8	9.7	7.2
Champion	5.4	5.7	3.7	6.7	6.8
Castrol	4.2	4.6	2.9	5.7	3.3
STP	2.8	2.7	2.5	2.9	2.0
Armor All	2.4	2.2	3.6	3.5	2.0

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Automotive Brands: Store Managers vs. Shoppers

Managers	Consumers
Pennzoil	Pennzoil
Quaker State	Quaker State
Fram	Fram
Havoline	Turtle Wax
Prestone	Valvoline
Valvoline	AC-Delco
STP	Champion
Castrol	Castrol
Armor All	STP
Champion	Armor All

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Consumer Brand Preference Low, But Favorites Retain Loyal Following

Consumer Brand Preferences in Hardware

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Stanley	20.2%	20.6%	21.0%	25.0%	10.3%
Black & Decker	18.6	19.9	24.7	20.0	13.5
General Electric	10.6	11.6	11.5	7.8	17.1
Glidden	7.0	6.2	8.5	12.0	8.0
Duracell	2.0	1.9	1.2	0.0	3.7
Master Lock	0.8	0.9	0.0	1.2	2.4
Homelite	0.6	0.8	2.0	0.0	0.0
Olympic Paint	0.4	0.5	1.2	0.0	1.2
Red Devil	0.4	0.0	0.0	1.3	0.0
Yale	0.4	0.5	0.0	0.0	0.0

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Nationwide DSN Report

Consumers appear to have a split personality when shopping for hardware in a discount department store, according to an exclusive survey conducted for *DSN* by Leo J. Shapiro & Associates.

On the one hand, only about half—55 percent—said they had a brand preference when shopping for hardware products. But, of those that have a brand preference, more than half would skip their planned purchase entirely if that brand isn't on the shelf at their favorite discount department store.

The only departments in the survey to record a lower degree of brand preference among consumers were domestics and children's and women's apparel. However, the hardware department ranked right up there with consumer electronics, automotive supplies, photo and camera, and men's apparel—all fairly high brand-oriented departments—in the number of consumers who would skip the purchase entirely if the preferred brand was not in stock.

Shoppers reported that Stanley and Black & Decker are the name brand products they look for most often when shopping for hardware items at discount stores. Those two brands were also mentioned most often by store managers who were asked to name their best performing brands in the hardware department (see *DSN*, Oct. 10).

At the nation's four largest discount store chains, consumers reported strong brand preferences for the top four labels in the consumer survey, but to varying degrees.

Stanley, for example, was named most often by K mart and Zayre shoppers as the hardware brand they would prefer to buy. Wal-Mart shoppers look for the B&D brand most often and Target shoppers seek out General Electric products more often than others on the top 10 list.

Top Hardware Brands: Store Managers vs. Shoppers

Managers	Consumers
Stanley	Stanley
Black & Decker	Black & Decker
Lucite	General Electric
Glidden	Glidden
Dutch Boy	Duracell
General Electric	Master Lock
Royal	Homelite
Red Devil	Olympic Paint
Olympic Paint	Red Devil
Vermont American	Yale

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/ *Leo J. Shapiro & Assoc.*

The most brand-conscious shoppers of the four discounters are Zayre customers, according to the survey. Sixty-four percent of Zayre shoppers reported they have a brand preference when shopping for hardware, compared to 57.6 percent of Wal-Mart shoppers and 54.8 percent of K mart shoppers.

Target shoppers are the least brand conscious of the four discounters, with 52.7 percent of the shoppers reporting they have a brand preference when shopping for hardware at discount stores. After the top two brands, however, consumers' preferred brands differed dramatically with store managers' best performers.

For consumers, the hardware brands most preferred when shopping at discounters

(Continued on page 69)

His dog woke up at 4:00 a.m.
He didn't.

Meet your next customer.

He's shopping for a pet door. And as a do-it-yourselfer, he will come to your store looking for the right product. That's why you should offer him the original pet door, only from Johnson. It's the safe, two-way door with flexible vinyl panels that won't trap or injure his pet. In fact, since 1952, millions of pet owners and dealers alike have counted on Johnson Pet-Dor for the finest in quality and pet safety.

Best of all, it's easy to sell a Johnson Pet-Dor. Our exciting new packaging and POP displays tell customers everything they need to know, so they sell themselves.

The market for pet doors is profitable, and growing daily. So be ready to meet your next customer. Call now to get more information on our complete line of Pet-Dors.

Tuffi-Dor
THE SAFE, TWO-WAY DOOR YOUR PET CAN OPEN.

The door that opened an industry.

JOHNSON PET-DOR
27795 Avenue Hopkins, Valencia, CA 91355 • (805) 257-4800

©1988 Johnson Pet-Dor, Inc.

Hershey's Nabs Sweet Victory in Consumer Survey

Nationwide DSN Report

Hershey's is the brand the largest number of consumers look for when shopping for food and snack products at discount stores, according to results of a nationwide survey of consumers' brand preferences conducted for *DSN* by Leo J. Shapiro & Associates.

Consumers are very confident that they will find Hershey's and their other preferred brands of foods, candy and snacks when they shop discounters, the survey also revealed.

Interestingly, Hershey's was also named by the largest percentage of store managers who were asked to name their best performing brands in the food, candy and snack category (see *DSN*, Oct. 10).

The two groups appeared to agree on little else, however.

Consumers' top 10 preferred brands were Hershey's, Brach's, Snickers, M&M, Planters, Frito-Lay, Jays, Mars, Milky Way and Standard Brands.

Store managers' top 10 performers, in order, were Hershey's, Snickers, M&M, Planters, Brach's, Frito-Lay, Mars, Sather, Milky Way and Nabisco.

Candy, food and snack preferences varied even more dramatically among consumers who shop at the nation's four largest discount chains: K mart, Wal-Mart, Zayre and Target.

K mart customers (i.e., respondents who said they shopped K mart during the past year) best match the overall pattern of top performers mentioned by K mart store managers, with only a few exceptions.

However, the difference between what shoppers of discount stores said they look to buy and what store managers reported as their top performers differed dramatically at the other three chains.

For example, at Wal-Mart, Snickers was mentioned more often by consumers as the food brand they want when shopping at the Arkansas-based discounter. Hershey's came in second on the list followed by Brach's, Planters, Frito-Lay, Jays, Mars, M&M, Milky Way and Standard Brands.

However, the largest percentage of Wal-Mart store managers mentioned Frito-Lay as among their top performing brands in this category, followed by Little Debbie, Brach's, Ocean Spray, Nabisco, Mars, Planters, Snickers, Hershey's and Sather.

Target shoppers also named Hershey's as their most preferred brand in the category, followed by M&M, Brach's, Snickers, Planters, Frito-Lay, Jays, Mars and Milky Way.

Target store managers provided a substantially different ranking when asked to name their top performers. Planters topped the Target managers' list, followed by M&M, Frito-Lay, Mars, Snickers, Hershey, Shari, Fisher, Pringles, Brach's and Milky Way.

Despite the disparities between consumer preferences and store managers' top performers, shoppers are fairly confident they will find the brand they want when shopping in discounters. In fact, of the 17 merchandise categories reviewed, candy and snacks was given the third-highest confidence rating, behind toiletries (health and beauty aids) and photo/camera.

(Continued on page 69)

Top Food, Candy & Snacks Brands: Store Managers vs. Shoppers

Managers	Consumers
Hershey's	Hershey's
Snickers	Brach's
M&M	Snickers
Planters	M&M
Brach's	Planters
Frito-Lay	Frito-Lay
Mars	Jays
Sather	Mars
Milky Way	Milky Way
Nabisco	Standard Brands

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)?' and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/ Leo J. Shapiro & Assoc.

SALE
39.99
59.99

Stop giving them away.

You're looking at a rack of blouses that aren't going anywhere.

The only way to sell them now is to mark them down. And that's not a very attractive alternative for retailers.

At IBM, we're helping retailers order what customers want. Through our quick-response information systems we can link retailers, manufacturers and mills together to form a closely knit organization—one where everyone can easily talk to everyone else.

Critical sales information can be made available instantly to the manufacturer and mill so that fast-selling items can be reordered immediately.

Retailers are then better able to hedge their bets by ordering only a portion of the clothing they expect to sell in any one season and then reordering the hot items.

This responsive way of working has benefits for everyone involved.

© IBM 1988

Consumer Brand Preferences in Food, Candy & Snacks

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target	Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Hershey's	19.0%	18.5%	14.4%	22.2%	20.1%	**Jays**	5.7%	6.2%	7.6%	12.4%	7.4%
Brach's	12.3	12.1	12.0	13.4	13.1	**Mars**	5.7	5.8	5.9	4.5	5.5
Snickers	12.0	12.6	17.1	12.4	11.9	**Milky Way**	3.9	4.1	3.1	5.7	2.6
M&M	11.2	10.4	4.3	9.5	13.2						
Planters	9.0	8.4	9.5	11.5	9.0	**Standard Brands**	3.3	3.7	1.7	2.4	0.0
Frito-Lay	8.6	9.5	8.2	5.7	8.7						

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Sweet Victory for Hershey's; Brand Takes Top Honors

(Continued from page 68)

Food is such a brand-specific category that consumers expressed little preference for private label goods. Only household cleaners, personal care appliances, CE, photo/camera and toys received less support for private label products in the consumer survey.

But consumers aren't particularly loyal to specific brands. Consumers reported that if their discounter doesn't have the food brand they want, they will switch brands. There is not a high penalty to the discount store if it is not carrying one of the preferred brands. Only 41 percent said they would skip the purchase, a figure higher than only children's apparel and stationery and cards. In essence, if a discounter doesn't have one brand, the consumer is more likely to take home another brand than none at all.

Brand Preference Low in Hardware, But Loyalty High

(Continued from page 62)

are, in order, Stanley, B&D, GE, Glidden, Duracell, Master Lock, Homelite, Olympic Paint, Red Devil and Yale.

Store managers said their top performing hardware brands are Stanley, B&D, Lucite, Glidden, Dutch Boy, GE, Royal, Red Devil, Olympic Paint and Vermont American.

Vermont American and Lucite ranked 11th and 12th, respectively, on the consumer survey, followed by Fuller Brush and Hersh. Royal and Dutch Boy weren't mentioned by consumers in the survey.

Hardware shoppers, like customers looking for products in the 16 other departments surveyed, reported being fairly confident about finding the brand name product they want in a discount store. Asked to rate their level of confidence on a scale of 1 to 9 (with 1 being the least confident and 9 meaning they were sure of being able to find their preferred brand), consumers gave discounters' hardware departments a grade of 7.19.

But, in comparison to other departments surveyed, hardware shoppers were less confident about finding a specific brand. Hardware fared better than only stationery and cards, CE, women's and men's apparel, and sporting goods in this measure of confidence.

Even though consumers are relatively less certain about being able to find their favorite hardware items in a discount store, they show a high preference, compared to the other categories, of using a private label brand.

Twenty-five percent of the shoppers said they did have a preference for private label hardware products, higher than all other departments except women's apparel and children's apparel.

SALE
39.99
SALE
SALE
SALE

The retailer cuts down on forced markdowns and costly stockouts. The manufacturer knows what and how much to make. The mill weaves the right fibers. And the entire industry becomes more productive.

This may all sound too good to be true, but IBM has the POS systems, application software and EDI services to make it a reality today. With a quick-response information system, IBM can help retailers increase sales while stocking less.

Whether you sell designer shoes or designer sheets, IBM has a comprehensive quick-response solution that's right for you.

So, if you're tired of losing your shirt over markdowns and stockouts, call 1-800-IBM-2468, ext. 33 to arrange for an IBM marketing representative to contact you or for literature.

IBM The Bigger Picture

Sporting Goods Shoppers Are Less Likely to Insist on Specific Brands

Nationwide DSN Report

When it comes to sporting goods, consumers' top brand preferences vary significantly at some points from store managers' views of their best performing products.

Moreover, shoppers are less brand conscious when it comes to sporting goods than for several other hard goods categories, and less loyal to their chosen top brand, according to an exclusive survey conducted by Leo J. Shapiro & Associates for *DSN*.

Coleman, for instance, was named most often as a top performing brand by managers for the past four years and lost by a hair this year to Wilson (see *DSN*, Oct. 10). But as far as consumers were concerned, they think far less of Coleman as a top brand when shopping at discount stores.

Wilson came out strongly on top in the consumer survey, with 19 percent of all shoppers ranking it as their top choice, or three times as many as did for Coleman, 6 percent. One possible explanation is that many consumers may not associate the Coleman name with sporting goods, per se. Many Coleman products, like coolers, stoves, lanterns, etc., are not thought of as strictly sporting goods.

Another significant difference is that consumers have come to consider Nike and Reebok shoes as "sporting goods" brands. In contrast, discount store managers, who normally can't get these fashion brands to carry, didn't mention the two top-selling athletic shoe brands when asked to name their top brands in either sporting goods or apparel.

Reflecting a resurgence of Nike's position in the marketplace, it came in at No. 5 with a 6.1 percent rating among all shoppers. That was over twice as strong as Reebok, which was tied with Rawling at 2.5 percent.

Huffy slipped to No. 18 among consumers, compared to No. 5 among managers, and Igloo, which was No. 10 on the managers list was only No. 20 among consumers.

About 63 percent of discount shoppers overall reported a brand preference when buying sporting goods. That figure was lower than with automotives shoppers, 78 percent of whom expressed a brand preference, but higher than hardware, 55 percent.

If shoppers couldn't find the sporting goods brand they wanted, 47 percent said they would switch brands, while 53 percent said they would skip purchasing the item they had in mind. Only 7 percent expressed a preference for a private label in sporting goods.

Consumers also said they had less confidence in being able to find their favorite brand of sporting goods at discount stores, compared to other hard lines categories. Only 35 percent said they were "certain" of finding their top brand of sporting goods.

Consumer Brand Preferences In Sporting Goods

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Wilson	19.3%	20.9%	12.5%	22.3%	15.9%
Spalding	13.6	12.8	10.0	18.3	14.0
Zebco	8.6	9.1	17.4	10.0	9.8
Coleman	6.3	6.6	4.3	8.0	9.4
Nike	6.1	6.7	6.3	5.6	4.1
Remington	6.0	5.4	13.5	5.1	2.3
MacGregor	5.9	7.0	6.3	6.6	6.1
Garcia	3.3	3.5	6.3	3.8	2.2
Daiwa	2.9	2.9	2.4	2.8	3.4

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Sporting Goods Brands: Store Managers vs. Shoppers

Managers	Consumers
Wilson	Wilson
Coleman	Spalding
Spalding	Zebco
Zebco	Coleman
Huffy	Nike
MacGregor	Remington
Garcia	MacGregor
Remington	Garcia
Daiwa	Daiwa

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)? and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/ *Leo J. Shapiro & Assoc.*

The Lil' MVP™ Hall of Fame

batter's set
Lil' MVP
Learn the skills of hitting with this complete batters' set. Sized for the younger child, the set includes one 24" wooden bat, one official size soft vinyl baseball and one batter's glove with a stretch back and adjustable closure.
SPORTCRAFT
The Babe's bat
STUFF DUNK
SPORTCRAFT
"mini" stuff dunk basketball set
Lil' MVP
The complete mini basketball set includes a 20" high X 16" wide backboard with adjustable brackets to fit any size door, a red / white / blue net on a rim that folds up for storage, and a mini basketball.
Where Magic learned to jam
SPORTCRAFT

Billy "Babe" Lang's hitting exploits are widely known on Maple Street, as are little Mickey "Magic" Washington's thunderous slam dunks. They may only be 5-year-olds but they're already headed for The Lil' MVP Hall of Fame, like children in playgrounds, back yards, and "wreckrooms" all over America.

They're all part of the rapidly growing Lil' MVP market. Fun-loving kids who are serious about their sports. And SPORTCRAFT has Lil' MVP starter kits for them, in baseball, basketball, croquet, football, soccer, and even golf. So don't forget about tommorrow's all-stars. And remember, there's a new Lil' MVP being born every minute.

SPORTCRAFT®
©GENERAL SPORTCRAFT CO., LTD. BERGENFIELD, N.J. 07621

Stationery Products Attract Comparison Shoppers

Nationwide DSN Report

Stationery shoppers are not particularly brand-conscious and are likely to switch brands if their preferred brand is not available in the store, according to an exclusive study of consumer brand preferences, conducted by Leo J. Shapiro & Associates for *DSN*.

Sixty-seven percent of those who expressed a brand preference in the stationery department said they would switch brands rather than forgo the purchase. That figure was the highest of 17 categories covered by the survey.

On a scale of 1 to 9, with 9 meaning that consumers were "certain" of finding their preferred brand, shoppers gave the stationery and cards category a mean rating of 7.18. Only four other departments—consumer electronics, sporting goods, women's apparel and men's apparel—had lower confidence ratings than stationery.

That low confidence level does not translate to lost sales, since two-thirds of the consumers surveyed would rather select another brand than skip the purchase entirely.

Hallmark, for instance, was mentioned by the greatest number of consumers as their preferred brand in the department. However, Hallmark is not usually available through discount store outlets, which contributes to the low confidence rating the department garners from consumers.

However, other greeting card brands like American Greetings and Ambassador, which are available through mass merchandisers, also made the top 10 list, and consumers seem more than willing to switch to other brands.

For discounters, the drawback in this department is that because shoppers are so willing to switch brands, they have a tendency to shop price, which puts downward pressure on margins. Brand names don't generate the same level of loyalty in this category as they do in other departments.

Significantly, while shoppers may be fairly ambivalent toward which brand they buy, they do certainly prefer national name brands over private label merchandise. Only 9.4 percent named a private or store label brand as their preferred choice in the stationery department.

Top Stationery Brands: Store Managers vs. Shoppers

Managers	Consumers
Mead	Hallmark
Bic	American Greetings
Papermate	Bic
Crayola	Mead
American Greetings	Ambassador
Parker	Scotch
Stuart Hall	Sangamon
Scripto	Gibson
Hirlitz	Crayola
Scotch	Papermate

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)?' and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Consumer Brand Preferences In Stationery Department

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Hallmark	61.7%	61.7%	58.1%	58.6%	60.0%
American Greetings	16.0	16.0	15.2	18.8	21.1
Bic	4.8	4.4	5.2	2.8	4.3
Mead	4.7	4.8	5.7	8.4	3.9
Ambassador	1.8	1.9	3.4	—	5.3
Scotch	1.5	1.5	—	0.9	2.2
Sangamon	1.5	0.4	4.9	1.0	—
Gibson	1.1	1.0	0.9	0.9	—
Crayola	0.8	1.0	—	1.9	—
Papermate	0.7	0.9	—	—	1.3

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Name Brands Clean Up Among H&BA Consumers

Nationwide DSN Report

Discount shoppers in search of health and beauty aids and other toiletries overwhelmingly prefer name brands such as Crest and Colgate over private or store label products.

A whopping 93 percent of consumers surveyed named a national brand as their preferred choice when purchasing toiletries or health and beauty aids. This level of brand loyalty was the third highest among the 17 categories covered in an exclusive survey conducted for *DSN* by Chicago-based Leo J. Shapiro & Associates.

The survey asked consumers who had shopped in a discount store at least three times during the last year to name their brand preferences.

In a category in which 65 different brands received at least some mention from consumers as their preferred choice, Crest was named by 11.5 percent of the respondents. Slightly more than 9 percent preferred runner-up Colgate in this category.

Consumers and discount store managers appear to be on the same wavelength, at least in how they view the top two brands. Asked to name their best performing products in health and beauty aids, store managers also named Crest and Colgate most often among their top performers (see *DSN*, Oct. 10).

After the top two H&BA brands, consumers and store managers rated the leaders somewhat differently. Lever Bros., including the brand names Ivory and Dove, receive the third-highest number of mentions in the category with 8.9 percent of mentions. Lever was followed by Revlon (which was also a top 10 brand in the cosmetics category, see story, page 44), Clairol, Kleenex, Charmin, Mennen, Johnson & Johnson, and Suave.

In the poll of discount store managers, however, Listerine placed third, followed by Johnson & Johnson, Scope, Revlon, Clairol, Right Guard, Aqua Net and Lever Bros.

Of the 17 categories surveyed, H&BA received the highest mean rating in terms of "confidence of finding the brand I want" from consumers with a 7.99 on a scale of 1 to 9 (with 9 meaning they were "certain" of finding their preferred brand).

About 54 percent of those surveyed were "certain" they would find their preferred product, while another 35.3 percent were "sure" their shopping need would be met. Only 8 percent said they were "not sure" they would be able to find their preferred brand at the discount store.

In the survey, over 48 percent said they would switch to another brand if their preferred brand was not in stock at the store. The remaining 51.7 percent would skip the purchase. This degree of brand loyalty was in the middle ground among the 17 categories surveyed.

Private label products are seldom the first choice of consumers who are looking to purchase health and beauty aids. Only 6.9 percent of those surveyed named a private label or store brand as their preferred choice in the category.

Consumer Brand Preference In Health & Beauty Aids

Top Brands	Discount Shoppers	K mart	Wal-Mart	Zayre	Target
Crest	11.5%	11.0%	10.0%	10.5%	15.6%
Colgate	9.2	9.7	12.0	11.4	8.2
Lever Bros./Ivory/Dove	8.9	8.0	8.0	12.4	8.2
Revlon	6.0	6.3	6.0	3.8	8.2
Clairol	4.6	4.0	3.0	2.9	5.7
Kleenex	4.3	4.7	6.0	1.9	5.7
Charmin	4.0	3.7	6.0	3.8	4.9
Mennen	3.4	3.7	2.0	1.9	4.1
Johnson & Johnson	3.2	3.7	3.0	1.9	2.5
Suave	3.2	3.3	3.0	3.8	2.5

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Top Health & Beauty Aids Brands: Store Managers vs. Shoppers

Managers	Consumers
Crest	Crest
Colgate	Colgate
Listerine	Lever Bros./Ivory/Dove
Johnson & Johnson	Revlon
Scope	Clairol
Revlon	Kleenex
Clairol	Charmin
Right Guard	Mennen
Aqua Net	Johnson & Johnson
Lever Bros.	Suave

Top 10 rankings in each category are based on discount store managers' response to the question: 'What are your best performing name brands in (department)?' and discount store consumers' response to the question: 'If you were shopping for (product) in a discount department store, which brand of that product would you want?

Source: Discount Store News/*Leo J. Shapiro & Assoc.*

Master Barbers Say We're A Cut Above.

We're proud that Ace® is the only comb endorsed by The Master Barbers And Beauticians Of America. Proving that when it comes to meeting the very highest professional standards, our combs are everything they're cut out to be.

ACE

Another Goody® Company.

the DISCOUNT MART

HELP WANTED

SHOW US YOUR
WRITE STUFF

Let us know you're interested in assistant manager opportunities at Hills. Send us this instant resume and get your career off the ground. OR CALL TOLL-FREE 1-800-343-0274
Inside Pennsylvania call collect (412) 378-0511
Ask for Tom Jones, Executive Recruiter.

Fill out this instant resume and send it to: Dept 10B88
Tom Jones – Executive Recruiter Hills Department Stores,
3010 Green Garden Road, Aliquippa, PA 15001

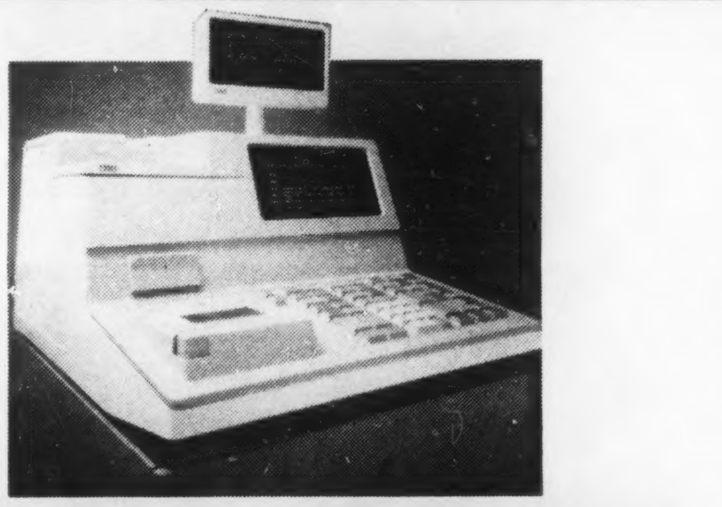
Name __________
Address __________
City _____ State _____ Zip _____
Home Phone # __________
Bus. Phone # __________
Current Position __________
Company __________

Hills

Training • Promoting • Growing

All replies in *strict* confidence. An equal opportunity employer m/f.

USED EQUIPMENT FOR SALE



SAVE 50% OR MORE WITH A SINGLE CALL:
1-800-544-5493

- We buy, sell, lease and refurbish
- NCR, IBM and other quality point-of-sale terminals, including scanners and scales
- We pay top dollar for used equipment

1-800-544-5493 for FREE BROCHURE
In Illinois: 312/934-7300
Illinois Wholesale Cash Register
411 South Vermont • Palatine, IL 60067

DISCOUNT STORE NEWS
1988 CLASSIFIED ADVERTISING
RATES

PER COLUMN INCH

1 Time	$95.00
2 Times	$85.00
4 Times	$79.00
6 Times	$74.00
12 Times	$65.00
24 Times	$60.00

Price Looks to Pad Property Portfolio

(Continued from page 2)

projects being generated internally.

At the Burbank site, P&K plans to develop a two-level retail center that would include a 120,000-square-foot Price Club membership warehouse, a home center, several off-price apparel chains, a movie theater complex, restaurants, a hotel and a community center. Total leasable square footage would be 708,700 square feet.

P&K's proposed development, called the Burbank Promenade, is one of six under consideration by the city's redevelopment agency.

In its proposal, P&K said the Promenade would have a festival marketplace ambience similar to Faneuil Hall in Boston, combined with a regional shopping flavor resembling the Potomac Mills complex in Washington, D.C.

P&K has already lined up several retailers interested in the project, with the list including off-pricers Nordstrom Rack, Marshalls and T.J. Maxx, along with home furnishings retailer Home Express and home center operator Home Depot. P&K also anticipates that its project would draw either a Toys "R" Us or a SportMart.

The Price Club warehouse would be the chain's second in Burbank. The company pegged anticipated first full-year sales at between $120 million and $150 million. For the entire development, P&K expects the proposed Promenade to generate sales of between $273.5 million and $365.7 million.

A final decision by the city for the Burbank development is not due for several months. If chosen, P&K said it would take between two and three years to build the Promenade.

Meanwhile, Price Club's bid for additional real estate, through the purchase of grocery wholesaler Alfred M. Lewis, has been revised. Following closer review of Lewis, Price Club has downgraded its offer from $40 a share or a total price of $52 million, to $37 share or a total price of $48.1 million.

Price Club said it has begun a tender offer and upon receiving at least 70 percent of Lewis' outstanding shares, along with regulatory approval, the acquired company will be merged with a Price Club subsidiary. The deal would give the company five large warehouse/distribution centers in California, Nevada and Arizona—ranging from 171,000 to 483,000 square feet. The chain would also take over 35 small cash and carry wholesale food distribution outlets.

If the deal collapses, Price Club still has an option to buy some of Lewis' property.

Court to OK CVN Takeover of TFC

(Continued from page 4)

personnel, merchandise or facilities. It has hired a few TFC hosts and is now airing an 8-hour live and 16-hour taped show on The Fashion Channel's network of 600 cable stations, reaching about 10 million households.

As for CVN Cos.' other diversification drive, it has named Jo J. Abendroth vice president for new business development, and William J. O'Neill vp in charge of direct marketing operations. Both positions are newly created posts.

The five firms CVN Cos. has hired and their missions are:

- Frank N. Magid Associates, a Marion, Iowa, media research and consulting firm. It will probe strategic marketing questions and conduct market research.
- Ruhr/Paragon Advertising, a Minneapolis advertising agency. It will develop a multimedia ad campaign that will debut this fall.
- Robert H. Meyer & Associates, a Minneapolis sales promotion agency. It will mount several promotions during the year, including a Fall Lineup Promotion to spotlight CVN's new fall shows.
- National Demographics & Lifestyles, a Denver demographic and lifestyle research firm. It will provide consumer research support.
- Tarkenton & Addams, an Atlanta public relations agency. It will provide corporate communications and media relations support.

Abendroth, as vp for new business development, will focus on such new business opportunities as development of:

- Financial service for distribution through the company's television and direct marketing operations;
- New applications for the Cable Value Network teleshopping and C.O.M.B. closeout direct mail distribution systems;
- Marketing opportunities using multimedia vehicles like the video retailing program and direct mail catalogs to the shows' viewers;
- Business alliances with, and possible acquisition of, other companies.

Abendroth reports directly to Theodore Deikel, CVN Cos. chairman and chief executive officer. She was formerly the chief operating officer and a general securities principal for Norman H. Gershman Associates, a securities firm.

As vp in charge of direct marketing operations, O'Neill will "will help expand both our print and televisions operations," Deikel said.

O'Neill reports to George L. Walters, CVN Cos. executive vp for marketing. He is a former senior executive of the Reader's Digest Association, most recently serving as vp and director of international operations.

Deikel said, "CVN has the ability to reach many more cable TV subscribers." Retaining the five marketing and advertising agencies is a step "to translate that potential into reality."

There are about 90 million TV households in the country. Approximately 44 million of those households subscribe to cable TV. CVN reaches about 20 million cable viewers, about 2 million of whom are active CVN shoppers.

Costco Adds Bakery, Fresh Meats

(Continued from page 3)

ries in both large and small markets in highly competitive and less competitive regions, in addition to utilizing various layouts within the warehouses.

While the scratch bakery products do not overlap with Costco's regular selection of baked goods, there is some duplication in meats.

However, Brotman said customers' needs usually dictate whether they will buy frozen or fresh meats, and there is really little competition between the two. Additionally, the fresh meats come in prime and choice cuts, whereas the frozen meats may only be available in the choice cut, Brotman added.

In keeping with the warehouse club industry norm, both the scratch baked goods and fresh meats are offered as multiple-item packages or large cuts. For example, boneless beef top loin is sold as a single 9-pound piece of meat for just over $40, while smaller cuts of products like chops are cut in individual portions, but sold in multiple quantities.

Brotman said the meat is butchered early each day, and the amount prepared is based on estimated daily sales. While Brotman said a loss potential exists with freshly prepared products, the potential for loss is taken into account in the margins. He said Costco's prices on these categories are still lower than those at a typical wholesaler.

DISCOUNT STORE NEWS

(ISSN 0012-3587), is published biweekly—every other Monday—24 times a year except issues of Aug. 22 and Sept. 12, which are published every third week; monthly in December—by Lebhar-Friedman Inc., 425 Park Ave., New York, N.Y. 10022. Subscriptions are available at no charge to qualified retailers and wholesalers. Paid subscriptions are available to manufacturers and their reps, schools, libraries, govt. agencies and all others—one year, $35; Canada: one year, $37; Foreign subscriptions: Airmail only, $175 (U.S.$) per year. Single copy rate, $2, except annual census issue, $20.

Second-class circulation postage paid at New York, N.Y., and additional mailing offices.

Copyright© 1988 by Lebhar-Friedman Inc. All rights reserved.

Postmaster: please send address changes to Subscription Department, *Discount Store News*, 305 Madison Ave., Suite 535, New York, N.Y. 10164-0659. For change of address six weeks notice is requested. Give old and new address and zip code. If possible, enclose address portion from cover of previous issue.

Vol. 27, No. 21 October 24, 1988